

Form **990**
 Department of the Treasury
 Internal Revenue Service

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

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

OMB No 1545-0047
2010
Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 04-01-2010 and ending 03-31-2011

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 SOUTHERN ILLINOIS HOSPITAL SERVICES Doing Business As SOUTHERN ILLINOIS HEALTHCARE Number and street (or P O box if mail is not delivered to street address) Room/suite PO BOX 3988 City or town, state or country, and ZIP + 4 CARBONDALE, IL 629023988 F Name and address of principal officer REX BUDDER PO BOX 3988 CARBONDALE, IL 629023988	D Employer identification number 37-0618939 E Telephone number (618) 457-5200 G Gross receipts \$ 715,383,868
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		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 ▶
J Website: ▶ WWW SIH NET		L Year of formation 1946 M State of legal domicile IL

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SOUTHERN ILLINOIS HOSPITAL SERVICES' (SIHS) MISSION STATEMENT IS "WE ARE DEDICATED TO IMPROVING THE HEALTH AND WELL-BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERVE "			
	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		13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4		10
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5		3,075
	6 Total number of volunteers (estimate if necessary)	6		624
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a		540,749
	b Net unrelated business taxable income from Form 990-T, line 34	7b		-301,779
Revenue		Prior Year		Current Year
	8 Contributions and grants (Part VIII, line 1h)	695,222		1,337,683
	9 Program service revenue (Part VIII, line 2g)	354,220,997		360,779,581
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,002,780		23,185,750
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,732,513		2,432,597
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	365,651,512		387,735,611
Expenses				
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	120,214		310,528
	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)	143,001,610		153,920,954
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0		0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶179,690			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	180,940,927		188,886,921
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	324,062,751		343,118,403
	19 Revenue less expenses Subtract line 18 from line 12	41,588,761		44,617,208
Net Assets or Fund Balances		Beginning of Current Year		End of Year
	20 Total assets (Part X, line 16)	494,130,186		553,602,831
	21 Total liabilities (Part X, line 26)	187,854,441		194,999,641
	22 Net assets or fund balances Subtract line 21 from line 20	306,275,745		358,603,190

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	2011-11-11 Date
	MIKE KASSER CFO Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name Firm's name ▶ CROWE HORWATH LLP	Preparer's signature Date	Check if self-employed <input type="checkbox"/>	PTIN Firm's EIN ▶ Phone no ▶ (502) 326-3996
	Firm's address ▶ 9600 Brownsboro Road Suite 400 Louisville, KY 402411122			

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

SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS DEDICATED TO PROMOTING THE HEALTH AND WELL BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERRVE OUR MISSION IS GUIDED BY OUR VALUES COMPASSION, COLLABORATION, QUALITY, STEWARDSHIP, INTEGRITY, ACCOUNTABILITY AND RESPECT (CONTINUED IN SCHEDULE O)

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 293,716,434 including grants of \$ 0) (Revenue \$ 361,498,916)
 SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) PROVIDES QUALITY HEALTH SERVICES TO PEOPLE THROUGHOUT SOUTHERN ILLINOIS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY THROUGH DAILY OPERATIONS, SIHS' HOSPITALS PROVIDE SIGNIFICANT AMOUNTS OF UNCOMPENSATED CHARITY CARE, UNCOMPENSATED GOVERNMENT-SPONSORED HEALTH CARE, SUBSIDIZED HEALTH SERVICES AND MEDICAL EDUCATION THE PRIMARY SERVICE AREA OF SIHS IS A VERY RURAL SEVEN-COUNTY REGION WITH A COMBINED POPULATION OF APPROXIMATELY 240,000 THE RESIDENTS OF THESE COUNTIES' MEDIAN HOUSEHOLD INCOMES ARE BELOW THE STATE AVERAGE, PLUS THE POVERTY RATE IS HIGHER THAN THE STATE AVERAGE (CONTINUED IN SCHEDULE O)

4b (Code) (Expenses \$ 1,142,821 including grants of \$ 310,528) (Revenue \$ 0)
 SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) HAS EXTENDED ITS SERVICES BEYOND HOSPITAL WALLS AND INTO THE NEIGHBORHOODS WHERE PEOPLE LIVE AND WORK THE COMMUNITY BENEFITS DEPARTMENT OF SIHS WAS INSTITUTED IN 1994 WITH AN OPERATING BUDGET SPECIFICALLY ALLOCATED TO BRING HEALTH-RELATED PROGRAMS TO THE AREAS IN WHICH THEY WERE MOST NEEDED COMMUNITY BENEFITS HAS UNDERTAKEN A WIDE VARIETY OF SUCCESSFUL PROGRAMS SINCE ITS INCEPTION (CONTINUED IN SCHEDULE O)

4c (Code) (Expenses \$ 184,476 including grants of \$ 0) (Revenue \$ 0)
 SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) PROVIDES PROGRAMS TO IMPROVE THE HEALTH AND WELL-BEING OF THE CHILDREN AND ADOLESCENTS ATTENDING SOUTHERN ILLINOIS SCHOOLS (CONTINUED IN SCHEDULE O)

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

4e Total program service expenses \$ 295,043,731

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? <input checked="" type="checkbox"/>	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		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 where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		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 term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>		No
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> <input checked="" type="checkbox"/>	Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i> <input checked="" type="checkbox"/>	Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> <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> <input checked="" type="checkbox"/>	Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	Yes	

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> <input checked="" type="checkbox"/>	21	Yes	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	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> <input checked="" type="checkbox"/>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i> <input checked="" type="checkbox"/>	24a	Yes	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28b	Yes	
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> <input checked="" type="checkbox"/>	34	Yes	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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. Includes questions 1a-14b regarding Form 1096, W-2G, Form W-3, and other IRS filings.

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

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	1a 13		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	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?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	Yes	
b	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> IL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input checked="" type="checkbox"/> MIKE KASSER 1239 EAST MAIN STREET CARBONDALE, IL 62901 (618) 457-5200

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							4,017,479	33,623	1,463,743	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **81**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MEDICAL STAFFING NETWORK PO BOX 844774 DALLAS, TX 752844774	MEDICAL AND HEALTHCARE PAYMENTS	2,970,036
BRIGHAM ANESTHESIA SOUTH LLC 35 ALBANY ROAD SUITE C CARBONDALE, IL 629037605	MEDICAL AND HEALTHCARE PAYMENTS	1,684,861
ALLIANCE HEALTHCARE SERVICE INC 100 BAYVIEW CIRCLE SUITE 400 NEWPORT BEACH, CA 92660	MEDICAL AND HEALTHCARE PAYMENTS	1,278,372
LABORATORY CORP OF AMERICA PO BOX 12140 BURLINGTON, NC 272162140	MEDICAL AND HEALTHCARE PAYMENTS	1,216,757
MIDWEST REGIONAL NEONATOLOGY 1809 WEST MAIN CARBONDALE, IL 62901	MEDICAL AND HEALTHCARE PAYMENTS	972,577

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **42**

Part VIII Statement of Revenue

		(A)	(B)	(C)	(D)	
		Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a	0				
	b Membership dues 1b	0				
	c Fundraising events 1c	76,596				
	d Related organizations 1d	0				
	e Government grants (contributions) 1e	700,652				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	560,435				
	g Noncash contributions included in lines 1a-1f \$	17,588				
	h Total. Add lines 1a-1f		1,337,683			
Program Service Revenue	2a PATIENT REVENUE	357,248,819	357,248,819	0	0	
	b PARTNERSHIP INCOME	3,468,793	3,468,793	0	0	
	c LEASEHOLD REVENUE FROM RELATED ORGANIZATIONS	61,969	61,969			
	d _____					
	e _____					
	f All other program service revenue		0	0	0	
	g Total. Add lines 2a-2f		360,779,581			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		8,866,719	0	0	8,866,719
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
	6a Gross Rents	(i) Real	622,183			
		(ii) Personal				
		b Less rental expenses	594,300			
		c Rental income or (loss)	27,883		0	
	d Net rental income or (loss)		27,883	0	0	27,883
	7a Gross amount from sales of assets other than inventory	(i) Securities	341,231,141	81,163		
		(ii) Other				
		b Less cost or other basis and sales expenses	326,774,288	218,985		
		c Gain or (loss)	14,456,853	-137,822		
d Net gain or (loss)		14,319,031			14,319,031	
8a Gross income from fundraising events (not including \$ 76,596 of contributions reported on line 1c) See Part IV, line 18	a		32,954			
	b Less direct expenses b		60,684			
	c Net income or (loss) from fundraising events		-27,730	0	-27,730	
9a Gross income from gaming activities See Part IV, line 19 a	b Less direct expenses b		2,686			
	c Net income or (loss) from gaming activities		2,686	0	0	
	10a Gross sales of inventory, less returns and allowances a					
b Less cost of goods sold b						
c Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue		Business Code				
11a CAFETERIA/VENDING/HOSPITAL AUXILIARY		1,562,371	392,697	0	1,169,674	
	b MEDICAL RECORDS/X-RAY/INTERNET PHYSICIANS	621300	601,365	268,286	333,079	
	c REFERENCE LAB	621500	201,409	0	201,409	
	d All other revenue		64,613	58,352	6,261	0
e Total. Add lines 11a-11d		2,429,758				
12 Total revenue. See Instructions		387,735,611	361,498,916	540,749	24,358,263	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	308,428	308,428		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	2,100	2,100		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	4,394,021	692,658	3,701,363	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25,311	25,311		
7	Other salaries and wages	113,240,771	96,300,541	16,826,988	113,242
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,645,627	2,643,434		2,193
9	Other employee benefits	25,351,077	22,571,641	2,768,225	11,211
10	Payroll taxes	8,264,147	7,084,005	1,171,690	8,452
a	Fees for services (non-employees)				
	Management	0			
b	Legal	304,278	48,208	256,070	
c	Accounting	123,135		123,135	
d	Lobbying	78,272		78,272	
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	487,377		487,377	
g	Other	38,542,358	31,179,521	7,336,268	26,569
12	Advertising and promotion	1,015,045	34,467	975,578	5,000
13	Office expenses	65,449,477	64,523,008	919,120	7,349
14	Information technology	4,145,458	3,905	4,137,967	3,586
15	Royalties	0			
16	Occupancy	6,244,483	5,370,062	874,421	
17	Travel	521,305	307,447	213,546	312
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	929,052	515,244	413,808	
20	Interest	7,388,332	7,370,332	18,000	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	22,538,010	16,007,572	6,530,438	
23	Insurance	7,534,408	7,279,174	255,234	
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	BAD DEBT	21,153,228	21,153,228		
b	PROVIDER TAX	6,047,140	6,047,140		
c	EQUIPMENT RENTAL	4,943,367	4,531,214	412,153	
d	HOSPITAL AUXILIARY	437,350	437,350		
e	DUES AND SUBSCRIPTIONS	712,009	418,921	293,088	
f	All other expenses	292,837	188,820	102,241	1,776
25	Total functional expenses. Add lines 1 through 24f	343,118,403	295,043,731	47,894,982	179,690
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	6,117	1	6,147
	2 Savings and temporary cash investments	6,517,683	2	8,783,975
	3 Pledges and grants receivable, net	0	3	
	4 Accounts receivable, net	74,409,231	4	64,261,528
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		6	
	7 Notes and loans receivable, net	852,781	7	1,060,801
	8 Inventories for sale or use	5,936,730	8	6,983,120
	9 Prepaid expenses and deferred charges	2,637,547	9	4,010,202
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	330,925,157		
	b Less accumulated depreciation	168,347,303	156,199,120	10c 162,577,854
	11 Investments—publicly traded securities	214,509,601	11	280,500,142
	12 Investments—other securities. See Part IV, line 11	4,028,234	12	3,147,797
	13 Investments—program-related. See Part IV, line 11		13	0
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	29,033,142	15	22,271,265
16 Total assets. Add lines 1 through 15 (must equal line 34)	494,130,186	16	553,602,831	
Liabilities	17 Accounts payable and accrued expenses	30,754,382	17	37,681,942
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	140,990,000	20	138,345,000
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	16,110,059	25	18,972,699
	26 Total liabilities. Add lines 17 through 25	187,854,441	26	194,999,641
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	306,084,093	27	358,055,578
	28 Temporarily restricted net assets	191,652	28	547,612
	29 Permanently restricted net assets		29	
	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	306,275,745	33	358,603,190	
34 Total liabilities and net assets/fund balances	494,130,186	34	553,602,831	

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	387,735,611
2	Total expenses (must equal Part IX, column (A), line 25)	2	343,118,403
3	Revenue less expenses Subtract line 2 from line 1	3	44,617,208
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	306,275,745
5	Other changes in net assets or fund balances (explain in Schedule O)	5	7,710,237
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	358,603,190

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?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

12 Gross receipts from related activities, etc (See instructions) 12**13 First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶**Section C. Computation of Public Support Percentage****14** Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) 14**15** Public Support Percentage for 2009 Schedule A, Part II, line 14 15**16a 33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶**b 33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶**17a 10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶**b 10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶**18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

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

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

Section A. Public Support

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




Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

Facts And Circumstances Test

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization: SOUTHERN ILLINOIS HOSPITAL SERVICES
Employer identification number: 37-0618939

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures
3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
2 Enter the amount of any excise tax incurred by organization managers under section 4955
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
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
- 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
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?	Yes		78,272
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV		No	
j Total lines 1c through 1i			78,272
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	0
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
DIRECT CONTACT WITH LEGISLATORS	SCHEDULE C, PART II-B, LINE 1G	THE ORGANIZATION HAS HIRED A PROFESSIONAL SERVICES FIRM TO CONDUCT LOBBYING ON BEHALF OF THE ORGANIZATION. IN ADDITION, SEVERAL MEMBERS OF THE ORGANIZATION'S MANAGEMENT HAVE SPENT A PORTION OF THEIR TIME LOBBYING

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number 37-0618939

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

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

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

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

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

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

Table with 2 columns: 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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a** Board designated or quasi-endowment
- b** Permanent endowment
- 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)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		7,521,786		7,521,786
b Buildings		102,127,459	44,642,237	57,485,222
c Leasehold improvements		11,325,523	7,388,880	3,936,643
d Equipment		206,806,485	116,316,186	90,490,299
e Other		3,143,904		3,143,904
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				162,577,854

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	387,735,611
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	343,118,403
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	44,617,208
4	Net unrealized gains (losses) on investments	4	12,859,689
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-1,532,181
9	Total adjustments (net) Add lines 4 - 8	9	11,327,508
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	55,944,716

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	399,808,642
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	12,859,689
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	654,984
e	Add lines 2a through 2d	2e	13,514,673
3	Subtract line 2e from line 1	3	386,293,969
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	459,378
b	Other (Describe in Part XIV)	4b	982,264
c	Add lines 4a and 4b	4c	1,441,642
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	387,735,611

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

1	Total expenses and losses per audited financial statements	1	343,863,926
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	1,642,251
e	Add lines 2a through 2d	2e	1,642,251
3	Subtract line 2e from line 1	3	342,221,675
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	459,378
b	Other (Describe in Part XIV)	4b	437,350
c	Add lines 4a and 4b	4c	896,728
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	343,118,403

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
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	THE CORPORATION ADOPTED THE PROVISIONS OF ASC 740, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, ON APRIL 1, 2007 WHEN TAX RETURNS ARE FILED, IT IS HIGHLY CERTAIN THAT SOME POSITIONS TAKEN WOULD BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITIES, WHILE OTHERS ARE SUBJECT TO UNCERTAINTY ABOUT THE MERITS OF THE POSITION TAKEN OR THE AMOUNT OF THE POSITION THAT WOULD BE ULTIMATELY SUSTAINED. EXAMPLES OF TAX POSITIONS COMMON TO HEALTH SYSTEMS INCLUDE MATTERS SUCH AS THE TAX EXEMPT ENTITY TAKING A TAX POSITION THAT AN ORGANIZATION IS TAX EXEMPT WITHOUT OBSERVING CORRESPONDING PROOF OF TAX EXEMPTION FROM FEDERAL AND STATE TAXING AUTHORITIES AND THERE IS MATERIAL NET INCOME GENERATED BY THE ENTITY OR EGREGIOUS COMPENSATION PAID TO INSIDERS THAT COULD RESULT IN REVOCATION OF EXEMPT STATUS (OUTSIDE THE SCOPE OF INTERMEDIATE SANCTIONS EXCISE TAX PENALTIES) THE TAX POSITION IS TO CONSIDER THAT THESE COMPENSATORY ARRANGEMENTS DO NOT JEOPARDIZE TAX EXEMPTION. THE BENEFIT OF A TAX POSITION IS RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS IN THE PERIOD DURING WHICH, BASED ON ALL AVAILABLE EVIDENCE, MANAGEMENT BELIEVES IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING THE RESOLUTION OF APPEALS OR LITIGATION PROCESSES, IF ANY TAX POSITIONS TAKEN ARE NOT OFFSET OR AGGREGATED WITH OTHER POSITIONS. TAX POSITIONS THAT MEET THE "MORE-LIKELY-THAN-NOT" RECOGNITION THRESHOLD ARE MEASURED AS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS MORE THAN 50 PERCENT LIKELY OF BEING REALIZED UPON SETTLEMENT WITH THE APPLICABLE TAXING AUTHORITY. THE PORTION OF THE BENEFITS ASSOCIATED WITH TAX POSITIONS TAKEN THAT EXCEEDS THE AMOUNT MEASURED AS DESCRIBED ABOVE IS REFLECTED AS A LIABILITY FOR UNCERTAIN TAX BENEFITS IN THE ACCOMPANYING CONSOLIDATED BALANCE SHEETS ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION. THERE WERE NO UNCERTAIN TAX BENEFITS IDENTIFIED AND RECORDED AS A LIABILITY UPON THE ADOPTION OF ASC 740 OR AT MARCH 31, 2011 AND 2010 TAX RETURNS FILED BY THE CORPORATION ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS) UP TO THREE YEARS FROM THE EXTENDED DUE DATE OF EACH RETURN. TAX RETURNS FILED BY THE CORPORATION ARE NO LONGER SUBJECT TO EXAMINATION FOR THE YEARS ENDED MARCH 31, 2007 AND PRIOR.
Other changes in net assets	Schedule D, Part XI, Line 8	LOSS ON DERIVATIVE - -987267, CHANGE IN VALUE OF INTEREST RATE SWAP - -589567, CHANGE IN NET ASSETS OF AUXILIARY - 44653,
Other revenues in audited financial statements not in form 990	Schedule D, Part XII, Line 2d	RENTAL EXPENSES - 594300, FUNDRAISING EXPENSES - 60684,
Other revenues in form 990 not in audited financial statements	Schedule D, Part XII, Line 4b	HOSPITAL AUXILIARY INCOME - 392697, CHANGE IN FAIR VALUE OF INTEREST RATE SWAP - 589567,
Other expenses in audited financial statements not in form 990	Schedule D, Part XIII, Line 2d	RENTAL EXPENSES - 594300, FUNDRAISING EXPENSES - 60684, LOSS ON DERIVATIVE - 987267,
Other expenses in form 990 not in audited financial statements	Schedule D, Part XIII, Line 4b	HOSPITAL AUXILIARY EXPENSES - 437350,

Additional Data

Software ID: 10000128
Software Version: v2010.1.0
EIN: 37-0618939
Name: SOUTHERN ILLINOIS HOSPITAL SERVICES

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

¹ (a) Description of Liability	(b) Amount
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	7,858,699
ACCRUED BOND INTEREST	708,079
MEDICAL PROFESSIONAL LIABILITY	3,612,065
ASBESTOS LIABILITY	334,215
LONG TERM EXECUTIVE RETIREMENT PLAN	289,610
EMPLOYEES HELPING EMPLOYEES FUNDS	43,758
DUE TO AFFILIATE - RIC	331,406
INTEREST RATE SWAP CONTRACT	5,794,867

SCHEDULE F (Form 990)

Statement of Activities Outside the United States

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number 37-0618939

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States

3 Activities per Region (Use Part V if additional space is needed)

Table with 6 columns: (a) Region, (b) Number of offices in the region, (c) Number of employees or agents in region or independent contractors, (d) Activities conducted in region (by type), (e) If activity listed in (d) is a program service, describe specific type of service(s) in region, (f) Total expenditures for region/investments in region. Includes row for CENTRAL AMERICA AND THE CARIBBEAN with 0 offices and 0 employees, and a total row at the bottom.

Part IV Foreign Forms

- 1 Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)* Yes No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)* Yes No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)* Yes No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)* Yes No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)* Yes No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).* Yes No

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2010

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 SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number 37-0618939

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... 2b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements...

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. Includes a Total row at the bottom.

- 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>SLICE OF LIFE</u> (event type)	<u>ENCHANTED EVENING</u> (event type)	(total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts	78,916	30,634		109,550
	2 Less Charitable contributions	54,302	22,294		76,596
	3 Gross income (line 1 minus line 2)	24,614	8,340	0	32,954
Direct Expenses	4 Cash prizes	9,500	0		9,500
	5 Non-cash prizes	200	0		200
	6 Rent/facility costs	23,400	80		23,480
	7 Food and beverages	6,933	10,213		17,146
	8 Entertainment	0	475		475
	9 Other direct expenses	8,079	1,804		9,883
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				60,684
11 Net income summary Combine lines 3 and 10 in column (d) ▶				-27,730	

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 H (Form 990)

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, question 20. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number 37-0618939

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? 1b If "Yes," is it a written policy? 2 If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy... 3a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? 3b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? 6a Does the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Financial Assistance and Means-Tested Government Programs (a-d) and Other Benefits (e-k).

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing					0	0 %
2 Economic development					0	0 %
3 Community support					0	0 %
4 Environmental improvements					0	0 %
5 Leadership development and training for community members					0	0 %
6 Coalition building			129,014		129,014	0 040 %
7 Community health improvement advocacy			421,319		421,319	0 120 %
8 Workforce development					0	0 %
9 Other					0	0 %
10 Total	0	0	550,333	0	550,333	0 160 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?			No
2 Enter the amount of the organization's bad debt expense (at cost)	2 7,279,853		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3 1,589,665		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5 115,887,709		
6 Enter Medicare allowable costs of care relating to payments on line 5	6 120,737,999		
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 3

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	MEMORIAL HOSPITAL OF CARBONDALE 405 WEST JACKSON STREET CARBONDALE, IL 62901	X	X		X			X		
2	HERRIN HOSPITAL 201 SOUTH 14TH STREET HERRIN, IL 62948	X	X					X		ACUTE REHAB
3	ST JOSEPH MEMORIAL HOSPITAL 800 NORTH 2ND STREET MURPHYSBORO, IL 62966	X	X			X		X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: MEMORIAL HOSPITAL OF CARBONDALE

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
<ul style="list-style-type: none"> a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI) 		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
<ul style="list-style-type: none"> a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI) 		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
<ul style="list-style-type: none"> a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI) 		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d <input type="checkbox"/> Other (describe in Part VI)		
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: HERRIN HOSPITAL

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

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

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d <input type="checkbox"/> Other (describe in Part VI)		
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: ST JOSEPH MEMORIAL HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

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

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
	a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
	b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
	c <input type="checkbox"/> The hospital facility used the Medicare rate for those services		
	d <input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

Part V Facility Information *(continued)***Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**
(list in order of size, measured by total revenue per facility, from largest to smallest)How many non-hospital facilities did the organization operate during the tax year? 22

Name and address

Type of Facility (Describe)

1

See Additional Data Table

Part VI Supplemental Information

Complete this part to provide the following information

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

Table with 3 columns: Identifier, Return Reference, and Explanation. Rows include: Subsidized Health Services (Schedule H, Part I, Line 7g); Bad Debt Expense excluded from financial assistance calculation (Schedule H, Part I, Line 7, column(f)); Costing Methodology used to calculate financial assistance (Schedule H, Part I, Line 7); Community Building Activities (Schedule H, Part II); Bad debt expense - financial statement footnote (Schedule H, Part III, Line 4); Community benefit & methodology for determining medicare costs (Schedule H, Part III, Line 8); Collection practices for patients eligible for financial assistance (Schedule H, Part III, Line 9b); Needs assessment (Schedule H, Part VI, Line 2); Patient education of eligibility for assistance (Schedule H, Part VI, Line 3); Community information (Schedule H, Part VI, Line 4); Promotion of community health (Schedule H, Part VI, Line 5); and State filing of community benefit report (Schedule H, Part VI, Line 7).

Additional Data

Software ID: 10000128
Software Version: v2010.1.0
EIN: 37-0618939
Name: SOUTHERN ILLINOIS HOSPITAL SERVICES

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility	
(list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>22</u>	
Name and address	Type of Facility (Describe)
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
MINERS MEMORIAL HEALTH CENTER 2553 KEN GRAY BLVD WEST FRANKFORT, IL 62896	FAMILY PRACTICE, RADIOLOGY AND LAB SERVICES, AND SPECIALTY CLINICS
SLEEP CENTER 8305 EXPRESS DRIVE MARION, IL 62959	SLEEP STUDIES
CANCER CARE CENTER 3117 WILLIAMSON COUNTY PARKWAY MARION, IL 62959	CANCER TREATMENT SERVICES
LOGAN PARK RADIOLOGY 405 RUSHING DRIVE HERRIN, IL 62948	RADIOLOGY SERVICES
REHAB UNLIMITED AND FIT FOR WORK 525 EAST VIENNA STREET ANNA, IL 62906	PHYSICAL THERAPY SERVICES
REHAB UNLIMITED 6 EAST SHAWNEE DRIVE MURPHYSBORO, IL 62864	PHYSICAL THERAPY SERVICES
SIOC 510 LINCOLN DRIVE HERRIN, IL 62948	PHYSICAL THERAPY SERVICES
RIC PHYSICIAN PRACTICES 3224 SOUTH PARK AVENUE HERRIN, IL 62948	REHABILITATION SERVICES
WOMEN'S CENTER 315 SOUTH 13TH ST HERRIN, IL 62948	MAMMOGRAPHY SERVICE
RIC AND SIH REHABILITATION SERVICES LLC PO BOX 3988 CARBONDALE, IL 62901	REHABILITATION SERVICES
FIT FOR WORK 101 SOUTH PARK AVENUE HERRIN, IL 62948	PHYSICAL THERAPY SERVICES
LPC WF IMAGING 502 ST LOUIS STREET WEST FRANKFORT, IL 62896	RADIOLOGY SERVICES
FRANKLIN MEDICAL ARTS 203 BAILEY LANE BENTON, IL 62912	LAB, IMAGING AND MAMMOGRAPHY SERVICES
REFERENCE LAB 500 LINCOLN DRIVE HERRIN, IL 62948	LAB SERVICES
PHYSICIANS SURGERY CENTER 2601 WEST MAIN ST CARBONDALE, IL 62901	SURGERY CENTER

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
Attach to Form 990

2010

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number 37-0618939

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Row 1 contains 'See Additional Data Table'.

2 Enter total number of section 501(c)(3) and government organizations 11
3 Enter total number of other organizations 2

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

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

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

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	ALL GRANTS MADE ARE UNRESTRICTED AND CAN BE USED IN ANY WAY THE DONEE ORGANIZATION SEES FIT TO FURTHER ITS EXEMPT PURPOSE

Software ID: 10000128
Software Version: v2010.1.0
EIN: 37-0618939
Name: SOUTHERN ILLINOIS HOSPITAL SERVICES

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN HEART ASSOCIATION PO BOX 40022902 DES MOINES, IA 503402902	13-5613797	501(C)(3)	30,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION 1235 DOUGLAS DRIVE CARBONDALE, IL 62901	37-6024575	501(C)(3)	52,100	0	N/A	N/A	GENERAL PROGRAM FUNDING
HERRIN CHAMBER OF COMMERCE 3 SOUTH PARK AVENUE SUITE A HERRIN, IL 62948	37-0618499	501(C)(6)	7,500	0	N/A	N/A	GENERAL PROGRAM FUNDING
WOMEN FOR HEALTH AND WELLNESS 700 LOGAN COLLEGE ROAD CARTERVILLE, IL 62918	37-1331447	501(C)(3)	10,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
REHABILITATION INSTITUTE OF CHICAGO 345 EAST SUPERIOR CHICAGO, IL 60016	36-2256036	501(C)(3)	5,500	0	N/A	N/A	GENERAL PROGRAM FUNDING
JACKSON COUNTY HEALTH DEPARTMENT 415 HEALTH DEPARTMENT ROAD MURPHYSBORO, IL 62966	37-6001092	501(C)(3)	8,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
ARTHRITIS FOUNDATION 4501 W DEYOUNG SUITE B104 MARION, IL 62959	26-4639290	501(C)(3)	5,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
CARTERVILLE SCHOOL DISTRICT UNIT OFFICE 306 VIRGINIA STREET CARTERVILLE, IL 62918	37-0859478	501(C)(3)	6,500	0	N/A	N/A	GENERAL PROGRAM FUNDING
SOUTHERN IL REGIONAL SOCIAL SERVICES 604 EAST COLLEGE CARBONDALE, IL 62901	37-0795898	501(C)(3)	10,417	0	N/A	N/A	GENERAL PROGRAM FUNDING
COMMUNITY HEALTH & EMERGENCY SERVICES PO BOX 233 CAIRO, IL 62914	37-1100482	501(C)(3)	35,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
LAND OF LINCOLN LEGAL ASSISTANCE FOUNDATION 509 S UNIVERSITY AVENUE 3RD FLOOR CARBONDALE, IL 62901	37-0958448	501(C)(3)	57,500	0	N/A	N/A	GENERAL PROGRAM FUNDING
AMERICAN CANCER SOCIETY 4503 W DEYOUNG SUITE 200 C MARION, IL 62959	13-1788491	501(C)(3)	22,700	0	N/A	N/A	GENERAL PROGRAM FUNDING

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
THE H GROUP BBT902 WEST MAIN STREET WEST FRANKFORT, IL 62896	37-0916475	501(C)(3)	10,817	0	N/A	N/A	GENERAL PROGRAM FUNDING

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

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 indemnification 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 checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

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

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

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

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

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

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

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

a The organization?

b Any related organization?

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

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

a The organization?

b Any related organization?

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

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

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a	Yes	
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 duplicate copies if additional space is needed.

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Severance or change-of-control payment	Schedule J, Part I, Line 4a	CATHERINE PORTER, CRNA, ONE THE 5 HIGHEST COMPENSATED EMPLOYEES, RECEIVED SEVERANCE PAYMENTS OF \$31,363
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	THE ORGANIZATION MADE THE FOLLOWING SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS/CONTRIBUTIONS REX BUDDE - \$152,000 DEFERRED COMPENSATION BECKY ASHTON-\$74,427 DEFERRED COMPENSATION PAM HENDERSON - \$59,546 DEFERRED COMPENSATION DAVE HOLLAND - \$68,646 DEFERRED COMPENSATION MIKE KASSER - \$9,004 PAYMENT, \$72,334 DEFERRED COMPENSATION JAMES MILLER - \$127,175 PAYMENT BART MILLSTEAD - \$92,909 DEFERRED COMPENSATION PHIL SCHAEFER - \$5,016 PAYMENT, \$84,167 DEFERRED COMPENSATION SCOTT SEABORN - \$79,109 DEFERRED COMPENSATION BILL SHERWOOD - \$7,147 PAYMENT, \$110,689 DEFERRED COMPENSATION JULIE FIRMAN - \$58,787 DEFERRED COMPENSATION WILLIAM THORNE - \$41,362 DEFERRED COMPENSATION

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Name: SOUTHERN ILLINOIS HOSPITAL SERVICES

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JULIE FIRMAN	(i)	168,740	173	15,460	58,787	12,607	255,767	0
	(ii)	0	0	0	0	0	0	0
REX BUDDE	(i)	396,020	1,173	12,695	158,125	50,776	618,789	0
	(ii)	0	0	0	0	0	0	0
MIKE KASSER	(i)	248,467	816	29,579	82,134	29,926	390,922	9,004
	(ii)	0	0	0	0	0	0	0
WILLIAM SHERWOOD	(i)	232,790	816	19,475	120,422	36,973	410,476	7,147
	(ii)	0	0	0	0	0	0	0
PHILIP SCHAEFER	(i)	246,329	816	13,484	93,967	34,616	389,212	5,017
	(ii)	0	0	0	0	0	0	0
PAM HENDERSON	(i)	182,177	816	11,531	66,919	4,851	266,294	0
	(ii)	0	0	0	0	0	0	0
DAVID HOLLAND	(i)	200,794	816	9,813	75,674	18,449	305,546	0
	(ii)	0	0	0	0	0	0	0
JOHN B MILLSTEAD	(i)	269,303	816	8,559	102,709	42,363	423,750	0
	(ii)	0	0	0	0	0	0	0
BECKY ASHTON	(i)	240,945	1,879	8,570	84,227	7,853	343,474	0
	(ii)	0	0	0	0	0	0	0
SCOTT SEABORN	(i)	206,427	816	10,947	87,495	18,456	324,141	0
	(ii)	0	0	0	0	0	0	0
JAMES MILLER MD	(i)	284,433	680	146,997	7,099	35,041	474,250	37,359
	(ii)	0	0	0	0	0	0	0
CATHERINE PORTER	(i)	149,647	777	40,529	3,660	21,601	216,214	0
	(ii)	0	0	0	0	0	0	0
RICHARD BOREN	(i)	179,010	1,029	374	7,600	35,828	223,841	0
	(ii)	0	0	0	0	0	0	0
BRIAN LANCE	(i)	157,883	816	9,516	6,554	24,211	198,980	0
	(ii)	0	0	0	0	0	0	0
WILLIAM THORNE	(i)	143,956	816	11,200	47,484	33,610	237,066	0
	(ii)	0	0	0	0	0	0	0
THOMAS HENTIRCH	(i)	156,560	816	11,627	6,598	32,880	208,481	0
	(ii)	0	0	0	0	0	0	0
NICOLE WILLIAMS	(i)	157,436	1,028	78	6,323	7,925	172,790	0
	(ii)	0	0	0	0	0	0	0

**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

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

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number
37-0618939

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	ILLINOIS FINANCE AUTHORITY	86-1091967	45200FS42	02-18-2010	68,985,878	DEEMED REISSUANCE OF 2005 BONDS		X		X		X
B	ILLINOIS FINANCE AUTHORITY	86-1091967	45200FSD2	12-04-2008	55,000,000	FINANCE CAPITAL ACQUISITIONS		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		935,000					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	68,985,878		55,058,935					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrow	0		0					
7	Issuance costs from proceeds	0		919,545					
8	Credit enhancement from proceeds	0		559,403					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	0		19,383,215					
11	Other spent proceeds	0		10,346,431					
12	Other unspent proceeds	0		10,346,431					
13	Year of substantial completion	2008		2011					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use?		X		X				
b Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %					
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %					
6 Total of lines 4 and 5	0 %		0 %					
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2 Is the bond issue a variable rate issue?		X	X					
3a Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X					
b Name of provider	MORGAN STANLEY		MORGAN STANLEY					
c Term of hedge	0 0		29 0					
d Was the hedge superintegrated?		X		X				
e Was a hedge terminated?		X		X				
4a Were gross proceeds invested in a GIC?		X		X				
b Name of provider								
c Term of GIC	0 0		0 0					
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X				
6 Did the bond issue qualify for an exception to rebate?	X		X					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF BOND ISSUE	SCHEDULE K, PART I, LINE A	THE BOND ISSUE REFERRED TO IN PART I, LINE A RELATES TO 2005 MULTI-MODAL BONDS THAT WERE CONVERTED TO A FLOATING INDEX RATE INTEREST MODE AND DEEMED REISSUED FOR PURPOSES OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, ON 11/5/2008 THE BOND WAS THEN CONVERTED TO A FIXED INTEREST RATE AND DEEMED REISSUED FOR PURPOSES OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, ON 02/18/2010

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number 37-0618939

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

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

Table with 3 main columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization.

Part II Loans to and/or From Interested Persons.

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

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 3 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JILL KASSER	SPOUSE OF VP/CFO, MIKE KASSER	25,311	EMPLOYEE COMPENSATION		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	(CONTINUED FROM PART III) OVER 2000 EMPLOYEES, ALONG WITH PHYSICIANS AND VOLUNTEERS, ARE WORKING TOGETHER TO ACHIEVE OUR MISSION AND ENSURE THAT THE HEALTH CARE NEEDS OF THOSE WE SERVE ARE MET BY TREATING PATIENTS IN SIHS FACILITIES, BY OFFERING SERVICES IN RURAL CLINICS, BY COLLABORATING WITH SOME OF AMERICA'S BEST HOSPITALS AND BY IMPROVING THE QUALITY OF LIFE IN OUR COMMUNITIES WITH OUR CHARITABLE COMMUNITY BENEFITS PROGRAMS OUR SERVICES ARE PROVIDED REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY

Identifier	Return Reference	Explanation
HOSPITAL SERVICES	FORM 990, PART III, LINE 4A	<p>(CONTINUED FROM PART III) THE FACILITIES THAT MAKE UP SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) INCLUDE MEMORIAL HOSPITAL OF CARBONDALE OPENED IN 1950, MEMORIAL HOSPITAL OF CARBONDALE IS THE LARGEST FACILITY AND A REGIONAL MEDICAL CENTER WITH 140 LICENSED BEDS IT IS HOME TO THE FIRST OPEN HEART SURGERY PROGRAM IN THE IMMEDIATE SOUTHERN ILLINOIS AREA AND OFFERS HIGH-QUALITY CARDIAC SERVICES THE HOSPITAL IS ALSO HOME TO A REGIONAL CANCER TREATMENT CENTER, THE ONLY LEVEL II PLUS NEO-NATAL INTENSIVE CARE UNIT, AND THE ONLY PEDIATRIC UNIT IN THE IMMEDIATE SOUTHERN ILLINOIS AREA THE HOSPITAL IS AFFILIATED WITH SOUTHERN ILLINOIS UNIVERSITY'S MEDICAL SCHOOL THROUGH ITS FAMILY PRACTICE RESIDENCY PROGRAM HERRIN HOSPITAL OPENED IN 1913, HERRIN HOSPITAL WAS THE FIRST HOSPITAL OWNED AND OPERATED BY THE ORGANIZATION HERRIN HOSPITAL CURRENTLY OPERATES 75 LICENSED BEDS IT IS ALSO HOME TO THE 29 BED ACUTE REHABILITATION CENTER, AN AFFILIATE PROGRAM WITH THE REHABILITATION INSTITUTE OF CHICAGO, RECOGNIZED AS THE TOP REHABILITATION HOSPITAL IN AMERICA THROUGH THIS AFFILIATION, PATIENTS RECOVERING FROM STROKE AND INJURY RECEIVE THE BEST POSSIBLE CARE IN THE REGION ST JOSEPH MEMORIAL HOSPITAL A 25 LICENSED BED ACUTE CARE CATHOLIC HOSPITAL FACILITY, ST JOSEPH MEMORIAL HOSPITAL IS LOCATED IN MURPHYSBORO, ILLINOIS ST JOSEPH OPENED ON OCTOBER 1, 1960 AND WAS ACQUIRED BY SOUTHERN ILLINOIS HOSPITAL SERVICES ON JANUARY 5, 1995 ST JOSEPH'S CATHOLIC IDENTITY HAS BEEN RETAINED BY SIHS SINCE THE PURCHASE ST JOSEPH IS HOME TO THE SLEEP DISORDERS CENTER, WHICH IS DEDICATED TO THE DIAGNOSIS AND TREATMENT OF SLEEP DISORDERS MINERS MEMORIAL HEALTH CENTER WEST FRANKFORT, ILLINOIS IS HOME TO MINERS MEMORIAL HEALTH CENTER THE HEALTH CENTER HOUSES A PHYSICIAN SPECIALTY CLINIC THAT OFFERS VISITING SPECIALISTS INCLUDING UROLOGY, PODIATRY AND CARDIOLOGY IT IS ALSO HOME TO WEST FRANKFORT FAMILY MEDICINE, WITH FAMILY MEDICINE AND OBSTETRIC PHYSICIANS FROM SIU SCHOOL OF MEDICINE, AND OFFERS MAMMOGRAPHY, X-RAY, ULTRASOUND, BONE DENSITOMETRY, AND LABORATORY SERVICES SERVICES PROVIDED DURING THIS REPORTING PERIOD, OUR HOSPITALS RECORDED 67,409 ADULT AND CHILD PATIENT DAYS AND 3,267 NEWBORN PATIENT DAYS OUTPATIENT REGISTRATIONS TOTALED 269,358 WITH 64,924 OF THESE REGISTRATIONS BEING EMERGENCY ROOM VISITS APPROXIMATELY 59.35% OF THESE DAYS AND REGISTRATIONS PROVIDED CARE THAT WAS CLASSIFIED AS EITHER UNCOMPENSATED CHARITY CARE OR UNCOMPENSATED GOVERNMENT-SPONSORED HEALTH CARE AN ADDITIONAL 2% OF THE CARE PROVIDED IN THESE DAYS AND REGISTRATIONS WERE WRITTEN OFF AS BAD DEBT ROUTINE INPATIENT CARE AND OUTPATIENT PROCEDURES ARE PROVIDED AT ALL THREE OF OUR FACILITIES EACH FACILITY ALSO HAS ITS OWN UNIQUE PROGRAMS AND PATIENT CARE UNITS OUR TWO LARGER FACILITIES, CARBONDALE MEMORIAL HOSPITAL AND HERRIN HOSPITAL BOTH HOUSE INTENSIVE CARE UNITS THESE TWO LARGER FACILITIES EACH HAVE SPECIALTY UNITS WITHIN THEIR RESPECTIVE FACILITIES CARBONDALE MEMORIAL HOSPITAL PROVIDES OBSTETRICAL, PEDIATRICS, AND A NEONATAL NURSERY HERRIN HOSPITAL PROVIDES THE ACUTE REHABILITATION CENTER PATIENTS IN THE ACUTE REHABILITATION CENTER ARE GIVEN THERAPY TO RECOVER FROM STROKE, CARDIAC EVENTS, SURGERIES, AND INJURIES SURGICAL SERVICES ARE OFFERED AT ALL FACILITIES, WITH CARBONDALE MEMORIAL HOSPITAL PROVIDING OPEN-HEART AND CARDIAC SERVICES TWO UNIQUE PROGRAMS OF ST JOSEPH MEMORIAL HOSPITAL ARE THE SLEEP DISORDERS CENTER AND THE SENIOR RENEWAL PROGRAM THE SLEEP DISORDERS CENTER OFFERS TWO LOCATIONS TO DIAGNOSE SLEEP DISORDERS THE SENIOR RENEWAL PROGRAM OFFERS OUTPATIENT BEHAVIORAL HEALTH TREATMENT THROUGH A COMBINATION OF GROUP PSYCHOTHERAPY, INDIVIDUAL AND/OR FAMILY THERAPY AND INTENSIVE NURSING EDUCATION SIHS HAS ALSO PROVIDED SUBSIDIZED HEALTH CARE SERVICES SUBSIDIZED HEALTH SERVICES INCLUDE, BUT ARE NOT LIMITED TO PHYSICIAN REFERRAL CENTERS, FAMILY PRACTICE CENTERS, SENIOR MEMBERSHIP, ETC THESE HEALTH CARE SERVICES ARE PROVIDED IN RESPONSE TO COMMUNITY NEEDS THESE HEALTH SERVICES MUST BE SUBSIDIZED FROM OTHER REVENUE SOURCES IN ORDER TO BE PROVIDED SIHS PROVIDES MEDICAL EDUCATION THROUGH AN AFFILIATION WITH THE SOUTHERN ILLINOIS UNIVERSITY'S MEDICAL SCHOOL FAMILY PRACTICE RESIDENCY PROGRAM</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFITS	FORM 990, PART III, LINE 4B	<p>(CONTINUED FROM PART III) THE COMMUNITY BENEFITS DEPARTMENT'S PRIMARY FUNCTIONS THAT ARE PERFORMED ON BEHALF OF SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) INCLUDE - COORDINATE SYSTEM-WIDE COMMUNITY HEALTH ASSESSMENTS AND COMMUNITY BENEFIT PLANNING, - PLAN, IMPLEMENT, AND EVALUATE DEPARTMENTALLY INITIATED COMMUNITY HEALTH PROMOTION PROGRAMS AND SERVICES, - INITIATE AND PARTICIPATE IN COLLABORATIVE PARTNERSHIPS WITH COMMUNITY-BASED ORGANIZATIONS TO DEVELOP AND IMPLEMENT SOLUTIONS TO UNMET HEALTH NEEDS, - CONVENE COMMUNITY-BASED ORGANIZATIONS AND PUBLIC SECTOR ENTITIES TO FOCUS ON PERVASIVE ISSUES AND TO DEVELOP HEALTH INITIATIVES, AND - IDENTIFY FUNDING OPPORTUNITIES/GRANT PROGRAMS THAT FUND COMMUNITY-BASED HEALTH PROGRAMS AND PUBLIC/PRIVATE HEALTH INITIATIVES SIHS' SERVICES TARGET THE FOLLOWING COMMUNITIES AND POPULATIONS - UNINSURED, UNDERINSURED AND UNDER-SERVED, - POPULATIONS THAT ARE VULNERABLE DUE TO A RANGE OF SOCIO-ECONOMIC BARRIERS SUCH AS POVERTY, EDUCATION LEVELS, EMPLOYMENT STATUS, AND/OR RACIAL DISPARITIES IN HEALTH CARE, - POPULATIONS THAT ARE HARD TO REACH DUE TO LANGUAGE AND CULTURAL CHALLENGES, - POPULATIONS WITH IDENTIFIED NEEDS THAT CAN BE EFFICIENTLY REACHED THROUGH THE LEVERAGING OF COMMUNITY LINKAGES (IE FAITH-BASED, SCHOOLS, NEIGHBORHOODS, COMMUNITIES, ETC), - THE WORKING POOR, AND - POPULATIONS AT RISK OF EXPERIENCING ADVERSE HEALTH CONDITIONS OR OUTCOMES IN ORDER TO ACCOMPLISH THE ORGANIZATION'S MISSION, THE COMMUNITY BENEFITS DEPARTMENT OF SIHS IMPLEMENTS A NUMBER OF DIRECTED INITIATIVES PROGRAMS DURING THE REPORTING YEAR INCLUDE HEALTH MINISTRY -- THE HEALTH MINISTRY PROGRAM COLLABORATES WITH SOUTHERN ILLINOIS FAITH COMMUNITIES TO IMPROVE THE HEALTH AND WELLNESS OF PEOPLE IN THE COMMUNITIES THEY SERVE EMPHASIZING WHOLENESS OF BODY, MIND AND SPIRIT, FAITH COMMUNITIES WITH A HEALTH MINISTRY OFFER HEALTH PROMOTION AND EDUCATION ACTIVITIES, ADVOCACY AND REFERRAL, AND CARING SPIRITUAL SUPPORT HEALTHY COMMUNITIES -- THE FOCUS OF THE WORK IN THE AREA OF HEALTHY COMMUNITIES IS TO INCREASE THE CAPACITY OF LOCAL AGENCIES TO WORK COLLABORATIVELY TO ADDRESS THE UNMET HEALTH NEEDS WITH THE COMMUNITIES SERVED BY SIHS STAFF WILL WORK TO IMPROVE COMMUNITY HEALTH THROUGH THE ASSESSMENT OF COMMUNITY NEEDS AND THE PLANNING, IMPLEMENTATION, AND EVALUATION OF COMMUNITY BASED HEALTH PROMOTIONS, EDUCATION, PREVENTION PROGRAMS, AND SERVICES AN INCREASED FOCUS OF THESE ACTIVITIES WILL BE DIRECTED TO INITIATIVES ADDRESSING CARDIOVASCULAR DISEASE AND CANCER, AND THE DEVELOPMENT OF STRATEGIES, PROGRAMMING, AND INTERVENTIONS TO REDUCE SUBSTANCE ABUSE, AND THE CONTINUATION OF EFFORTS TO EXPAND ACCESS TO CARE FOR THE UNINSURED AND THE UNDER-SERVED HEALTHY COMMUNITY COALITIONS ARE THE FORMAL GATHERING OF HEALTH PROVIDERS, SOCIAL SERVICE AGENCIES, CONCERNED CITIZENS, AND OTHER COMMUNITY GROUPS INTERESTED IN IMPROVING THE HEALTH OF THEIR RESPECTIVE COMMUNITIES SIHS IS ACTIVE IN TWO SUCH COALITIONS, ONE IN JACKSON COUNTY, AND THE OTHER IN FRANKLIN AND WILLIAMSON COUNTIES</p>

Identifier	Return Reference	Explanation
SCHOOL BASED HEALTH SERVICES	FORM 990, PART III, LINE 4C	<p>(CONTINUED FROM PART III) THE FOLLOWING IS A SUMMARY OF THE PROGRAMS DURING THIS REPORTING YEAR PARTNERS IN HEALTH -- A COLLABORATIVE INITIATIVE, PARTNERING WITH REGIONAL SCHOOLS, PROMOTING AND ASSISTING IN THE IMPLEMENTATION OF COORDINATED SCHOOL HEALTH PROGRAMMING IN SCHOOLS BY SUPPLYING CURRICULUM, MATERIALS, SUPPLIES, TEACHER TRAINING, AND ONGOING SUPPORT IN SOUTHERN ILLINOIS SCHOOLS STAFF ASSISTS SCHOOL PERSONNEL WITH ASSESSMENT, PROGRAM PLANNING, IMPLEMENTATION, AND EVALUATION WITHIN THE EIGHT AREAS OF THE COORDINATED SCHOOL HEALTH MODEL INVOLVED IN THIS PROGRAM ARE FIVE COLLABORATING PARTNERS, 41 SCHOOLS, 21,000 STUDENTS, AND 1100 FACULTY AND STAFF HEALTHY STUDENTS - READY TO LEARN -- SCHOOLS PROVIDE AN IDEAL LOCATION WHERE A RANGE OF HEALTH SERVICES CAN BE DELIVERED TO THE ADOLESCENT POPULATION EFFECTIVELY AND EFFICIENTLY THE SCHOOL BASED HEALTH CENTER IS A PLANNED PARTNERSHIP BETWEEN THE SCHOOL DISTRICT AND LOCAL HEALTH CARE PROVIDERS TO DELIVER PRIMARY HEALTH CARE AND SOCIAL SERVICES THROUGH THE COLLABORATIVE RELATIONSHIP WITH EXISTING HEALTH CARE PROVIDERS, SCHOOL DISTRICTS PLAN, DELIVER, AND EVALUATE SERVICES THAT SERVE THE UNMET HEALTH NEEDS OF THE STUDENTS WITH THE GOAL OF IMPROVED OVERALL ACADEMIC AND SOCIAL OUTCOMES SERVICES PROVIDED AT THE SCHOOL BASED HEALTH CENTER INCLUDE PRIMARY CARE, IMMUNIZATIONS, VISION SCREENING, SOCIAL SERVICE REFERRALS, MENTAL HEALTH COUNSELING, AND NUTRITION COUNSELING COLLABORATIVE AGENCIES ARE WORKING TO SERVE THE HEALTH NEEDS OF 9,900 STUDENTS AND 670 IN NEWLY DEVELOPED SCHOOL BASED HEALTH CENTERS IN 6 SCHOOL DISTRICTS HEALTHY FITNESS ZONE -- PROMOTES LIFELONG FITNESS BY SUPPORTING QUALITY PHYSICAL EDUCATION IN SOUTHERN ILLINOIS SCHOOLS AND ASSISTING CHILDREN TO MEET THE SURGEON GENERAL'S RECOMMENDATION FOR 60 MINUTES OF DAILY PHYSICAL ACTIVITY THIS INITIATIVE IS BASED UPON CURRENT LOCAL RESEARCH AND NATIONAL PHYSICAL EDUCATION STANDARDS PUBLISHED BY THE NATIONAL ASSOCIATION FOR SPORTS AND PHYSICAL EDUCATION (NASPE) PROGRAM COMPONENTS ASSIST SCHOOLS IN DEVELOPING A QUALITY PHYSICAL EDUCATION PROGRAM THAT HELPS STUDENTS SET AND WORK TOWARD GOALS, PRACTICE SELF-ASSESSMENT, AND LEARN THE BENEFITS OF LIFELONG PHYSICAL ACTIVITY FITNESSGRAM WAS DEVELOPED BY THE COOPER INSTITUTE AND UNLIKE OTHER ASSESSMENT TOOLS, IS DESIGNED TO ENCOURAGE YOUTH TO SET GOALS TO IMPROVE THEIR OWN PERSONAL FITNESS LEVELS NATIONAL PHYSICAL EDUCATION GUIDELINES RECOMMEND THE USE OF FITNESSGRAM FOR PHYSICAL FITNESS ASSESSMENTS CATCH (COORDINATED APPROACH TO CHILD HEALTH) -- CATCH IS A PROGRAM DESIGNED TO PROMOTE PHYSICAL ACTIVITY, HEALTHY FOOD CHOICES, AND PREVENT TOBACCO USE IN ELEMENTARY SCHOOL AGED CHILDREN CATCH EMPLOYS A COORDINATED APPROACH TO CHILD HEALTH PROMOTION BY TARGETING MULTIPLE ASPECTS OF THE SCHOOL ENVIRONMENT AND INVOLVING CLASSROOM TEACHERS, SCHOOL FOOD SERVICE STAFF, PHYSICAL EDUCATION (PE) TEACHERS, STUDENTS' FAMILIES, AND THE BROADER SCHOOL COMMUNITY IN A RANGE OF HEALTH PROMOTING ACTIVITIES FOR ALL CHILDREN IN GRADES K-5, SIMILAR TO THE CDC'S COORDINATED SCHOOL HEALTH PROGRAM MODEL THE FOUR CORE COMPONENTS OF CATCH INCLUDE (1) THE EAT SMART SCHOOL NUTRITION PROGRAM, (2) A CLASSROOM PHYSICAL ACTIVITY AND HEALTHY EATING CURRICULA, (3) THE CATCH PHYSICAL EDUCATION PROGRAM, AND (4) A FAMILY EDUCATION AND INVOLVEMENT PROGRAM THE COORDINATION OF HEALTH MESSAGES AND ACTIVITIES BETWEEN THESE FOUR COMPONENT AREAS IS CRITICAL TO POSITIVELY IMPACTING CHILDREN'S KNOWLEDGE, SKILLS, AND BEHAVIOR SOUTHERN ILLINOIS HEALTHCARE HAS PILOTED CATCH IN 12 ELEMENTARY SCHOOLS</p>

Identifier	Return Reference	Explanation
Family/business relationships amongst interested persons	Form 990, Part VI, Section A, Line 2	RUSSELL BROWN, DO AND JEFFREY PARKS, MD - BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	THE ORGANIZATION'S SOLE MEMBER IS SOUTHERN ILLINOIS HOSPITAL ENTERPRISES, INC , A RELATED TAX-EXEMPT ORGANIZATION THE MEMBER HAS THE RIGHT TO ELECT MEMBERS TO THE BOARD OF TRUSTEES AND APPROVE SOME DECISIONS OF THE BOARD

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	THE ORGANIZATION'S SOLE MEMBER, SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, HAS THE EXCLUSIVE RIGHT TO ELECT TRUSTEES TO THE ORGANIZATION'S BOARD OF TRUSTEES

Identifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	<p>THE ORGANIZATION'S SOLE MEMBER, SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES (CORPORATE MEMBER), HAS RESERVED POWERS FOUND IN THE ORGANIZATION'S BYLAWS EXCEPT FOR TRANSFERS IDENTIFIED IN THE BUDGET OF THE ORGANIZATION APPROVED BY THE CORPORATE MEMBER, THE ORGANIZATION MAY NOT TRANSFER ASSETS TO ENTITIES OTHER THAN THE CORPORATE MEMBER OR ENTITIES THAT THE CORPORATE MEMBER CONTROLS (THE "CORPORATE MEMBER AFFILIATES"), WITHOUT THE APPROVAL OF THE CORPORATE MEMBER. THE CORPORATE MEMBER HAS THE RIGHT TO REQUIRE THE ORGANIZATION TO TRANSFER ASSETS TO THE EXTENT NECESSARY TO ACCOMPLISH THE CORPORATE MEMBER'S GOALS AND OBJECTIVES. THE CORPORATE MEMBER ALSO HAS THE RIGHT TO REQUIRE THE ORGANIZATION TO PROVIDE FOR THE PAYMENT OF ALL INDEBTEDNESS OF THE CORPORATE MEMBER OR A CORPORATE MEMBER AFFILIATE. THE ORGANIZATION CANNOT BE REQUIRED TO VIOLATE ITS CHARITABLE PURPOSES, THE TERMS OF ANY RESTRICTED GIFTS, OR THE COVENANTS OF ITS DEBT INSTRUMENTS IN COMPLYING WITH ANY ASSET TRANSFERS DIRECTED BY THE CORPORATE MEMBER. IN ADDITION, THE FOLLOWING MATTERS MUST BE SUBMITTED TO AND RECEIVE THE APPROVAL OF THE CORPORATE MEMBER:</p> <ol style="list-style-type: none"> 1 CAPITAL EXPENDITURES IN EXCESS OF \$500,000, 2 THE BUYING, SELLING, LEASING, MORTGAGING OR DISPOSING OF REAL PROPERTY BELONGING TO THE CORPORATION OR ANY OF ITS SUBSIDIARIES, 3 THE ESTABLISHMENT OR DISCONTINUANCE OF ANY MAJOR SERVICES, INCLUDING SERVICES REQUIRING CERTIFICATES OF NEED, 4 LONG-RANGE STRATEGIC PLANS, 5 MASTER FACILITIES AND SITE PLANS, 6 THE CREATION OR DISSOLUTION OF ANY CORPORATION, THE SOLE MEMBER OR MAJORITY STOCKHOLDER OF WHICH IS THE CORPORATION, 7 JOINT VENTURE OR AFFILIATION AGREEMENTS, 8 THE INCURRENCE OF INDEBTEDNESS IN EXCESS OF \$500,000, 9 SUCH OTHER MATTERS AS MAY BE REQUIRED BY LAW OR BY THE ORGANIZATION'S ARTICLES OF INCORPORATION, OR BY ITS BYLAWS TO BE SUBMITTED TO THE CORPORATE MEMBER, 10 DELEGATION OF THE FUNCTIONS, POWERS, DUTIES AND RESPONSIBILITIES OF ANY OFFICER OF THE CORPORATION, AND, 11 ANY OTHER MATTER WHICH MAY BE SPECIFIED FROM TIME TO TIME BY THE CORPORATE MEMBER. <p>IN ADDITION, THE CORPORATE MEMBER RETAINS THE RIGHT TO APPROVE ALL CHANGES TO THE ORGANIZATION'S BYLAWS.</p>

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	A DRAFT OF THE FORM 990 AND SUPPLEMENTAL SCHEDULES WAS DISTRIBUTED TO THE CEO, CFO AND CERTAIN VICE-PRESIDENTS OF THE CORPORATION FOR THEIR REVIEW AND COMMENTS THIS DRAFT COPY WAS PRESENTED TO THE FINANCE COMMITTEE BY THE CFO AND THE ORGANIZATION'S TAX ADVISORS FOR REVIEW AND COMMENTS AFTER THIS REVIEW AND COMMENT PERIOD, ALL SUGGESTIONS AND COMMENTS WERE CONSIDERED AND THE FORM 990 WAS UPDATED AS APPROPRIATE THE FINALIZED FORM 990 AND SUPPLEMENTAL SCHEDULES WAS THEN PRESENTED TO THE BOARD OF TRUSTEES AND A COPY OF THE RETURN WAS MADE AVAILABLE TO EVERY MEMBER OF THE GOVERNING BODY BEFORE IT WAS FILED WITH THE IRS

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	ANNUALLY, THE GENERAL COUNSEL SENDS OUT A CONFLICT OF INTEREST QUESTIONNAIRE TO EACH TRUSTEE, DIRECTOR, OFFICER, AND MANAGER TO COMPLETE AND RETURN THE GENERAL COUNSEL THEN REVIEWS THESE QUESTIONNAIRES TO DETERMINE WHAT CONFLICTS, REAL OR PERCEIVED, EXIST DURING EVERY BOARD MEETING, THE GENERAL COUNSEL REMINDS THE TRUSTEES THAT THE BOARD HAS A CONFLICT OF INTEREST POLICY, THAT THE GENERAL COUNSEL HAS REVIEWED THE AGENDA FOR ANY CONFLICTS, BUT THAT THE TRUSTEES ARE OBLIGATED TO GIVE NOTICE IF A CONFLICT HAS BEEN OVER-LOOKED OR IF A DISCUSSION OR ACTION COMES BEFORE THE BOARD WHICH MAY INVOLVE OR CREATE A CONFLICT OF INTEREST FOR SOMEONE IF A TRUSTEE HAS A CONFLICT OF INTEREST, THE TRUSTEE OR THE GENERAL COUNSEL DISCLOSES THE CONFLICT THE TRUSTEE WITH THE CONFLICT IS ALLOWED TO REMAIN IN THE MEETING TO ANSWER ANY QUESTION THE TRUSTEE MAY NEED TO ANSWER AND THEN THE CONFLICTED TRUSTEE IS EXCUSED FROM THE MEETING THE REMAINING TRUSTEES THEN DISCUSS THE MATTER FURTHER AND ACTION IS TAKEN ON THE MATTER FINALLY, THE CONFLICTED TRUSTEE IS THEN INVITED BACK INTO THE MEETING INTERESTED PERSONS MAY ALSO BE ASKED, IN RARE SITUATIONS, TO RESIGN THEIR POSITION ON THE BOARD

Identifier	Return Reference	Explanation
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	THE BOARD OF TRUSTEES SETS THE EXECUTIVE COMPENSATION POLICY AND IS RESPONSIBLE FOR APPROVAL OF THE COMPENSATION. THE GOVERNANCE COMMITTEE IS DESIGNATED BY THE BOARD TO ACT AS THE COMPENSATION COMMITTEE FOR MATTERS CONCERNING EXECUTIVE COMPENSATION. EACH MEMBER OF THE COMMITTEE, WHILE CONSIDERING EXECUTIVE COMPENSATION ISSUES, MUST BE AN INDEPENDENT DIRECTOR, FREE FROM ANY CONFLICT OF INTEREST. THE COMMITTEE SEEKS OUT AND CONTRACTS THE SERVICES OF AN OUTSIDE, INDEPENDENT EXECUTIVE COMPENSATION CONSULTANT TO ADVISE THE COMMITTEE IN MATTERS OF MARKET VALUES OF COMPARABLE EXECUTIVE POSITIONS. THE COMMITTEE ANNUALLY REVIEWS ALL COMPARABILITY DATA AND PREPARES A RECOMMENDATION AS TO THE COMPENSATION PACKAGE OF THE PRESIDENT/CEO FOR THE FULL BOARD. ONLY THE FULL BOARD HAS THE AUTHORITY TO APPROVE THE COMPENSATION OF THE PRESIDENT/CEO. THE DECISIONS AND DELIBERATIONS ARE DOCUMENTED IN THE GOVERNANCE COMMITTEE MINUTES. THIS PROCESS WAS LAST UNDERTAKEN IN JUNE 2010.

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	THE BOARD OF TRUSTEES SETS THE EXECUTIVE COMPENSATION POLICY AND IS RESPONSIBLE FOR APPROVAL OF THE COMPENSATION THE GOVERNANCE COMMITTEE IS DESIGNATED BY THE BOARD TO ACT AS THE COMPENSATION COMMITTEE FOR MATTERS CONCERNING EXECUTIVE COMPENSATION EACH MEMBER OF THE COMMITTEE, WHILE CONSIDERING EXECUTIVE COMPENSATION ISSUES, MUST BE AN INDEPENDENT DIRECTOR, FREE FROM ANY CONFLICT OF INTEREST THE COMMITTEE SEEKS OUT AND CONTRACTS THE SERVICES OF AN OUTSIDE, INDEPENDENT EXECUTIVE COMPENSATION CONSULTANT TO ADVISE THE COMMITTEE IN MATTERS OF MARKET VALUES OF COMPARABLE EXECUTIVE POSITIONS THE COMMITTEE ANNUALLY REVIEWS ALL COMPARABILITY DATA AND PREPARES A RECOMMENDATION AS TO THE COMPENSATION PACKAGE OF ALL OFFICERS FOR THE FULL BOARD ONLY THE COMMITTEE WILL HAVE THE AUTHORITY TO APPROVE THE COMPENSATION OF THE SENIOR MANAGEMENT TEAM AND WILL REPORT IT'S ACTIONS TO THE BOARD THE DECISIONS AND DELIBERATIONS ARE DOCUMENTED IN THE GOVERNANCE COMMITTEE MINUTES THIS PROCESS WAS LAST UNDERTAKEN IN JUNE 2010

Identifier	Return Reference	Explanation
Public Disclosure	Form 990, Part VI, Section C, Line 19	THE ORGANIZATION MAKES ITS CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC UPON REQUEST GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE NOT REQUIRED DISCLOSURES PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104, THESE DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME

Identifier	Return Reference	Explanation
OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES, AND HIGHEST COMPENSATED EMPLOYEES	FORM 990, PART VII, SECTION A, LINE 1A	THE FOLLOWING OFFICERS AND TRUSTEES DEVOTE TIME TO SOUTHERN ILLINOIS HOSPITAL ENTERPRISES, INC , A RELATED TAX-EXEMPT ORGANIZATION, AS FOLLOWS (APPROXIMATE) ANAD SALEM - 1 HOUR PER WEEK EUGENE BASANTA - 1 HOUR PER WEEK GEORGE O'NEILL - 1 HOUR PER WEEK HAROLD BARDO - 1 HOUR PER WEEK JEFFREY PARKS - 1 HOUR PER WEEK KATHLEEN FRALISH - 1 HOUR PER WEEK MARLENE SIMPSON - 1 HOUR PER WEEK MARSHA RYAN - 1 HOUR PER WEEK MIKE KASSER - 1 HOUR PER WEEK MORTON LEVINE - 1 HOUR PER WEEK PHIL NORDSTROM - 1 HOUR PER WEEK REX BUDDE - 1 HOUR PER WEEK RUSSELL BROWN - 1 HOUR PER WEEK STEVE SABENS - 1 HOUR PER WEEK WILLIAM SHERWOOD - 1 HOUR PER WEEK THE FOLLOWING OFFICERS AND TRUSTEES DEVOTE TIME TO SOUTHERN ILLINOIS MEDICAL SERVICES, NFP, A RELATED TAX-EXEMPT ORGANIZATION, AS FOLLOWS (APPROXIMATE) ANAD SALEM - 1 HOUR PER WEEK DAVE HOLLAND - 8 HOURS PER WEEK HAROLD BARDO - 1 HOUR PER WEEK JAMES MILLER - 10 HOURS PER WEEK JEFFREY PARKS - 1 HOUR PER WEEK KATHLEEN FRALISH - 1 HOUR PER WEEK MIKE KASSER - 8 HOURS PER WEEK PHIL NORDSTROM - 1 HOUR PER WEEK PHIL SCHAEFER - 30 HOURS PER WEEK REX BUDDE - 4 HOURS PER WEEK STEVE SABENS - 1 HOUR PER WEEK WILLIAM SHERWOOD - 6 HOURS PER WEEK PAM HENDERSON - 4 HOURS PER WEEK WILLIAM THORNE - 4 HOURS PER WEEK THE FOLLOWING OFFICERS AND TRUSTEES DEVOTE TIME TO SIH FOUNDATION, NFP, A RELATED TAX-EXEMPT ORGANIZATION, AS FOLLOWS (APPROXIMATE) MARSHA RYAN - 1 HOUR PER WEEK MIKE KASSER - 1 HOUR PER WEEK REX BUDDE - 1 HOUR PER WEEK WILLIAM SHERWOOD - 1 HOUR PER WEEK

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - 12859689, PRIOR PERIOD ADJUSTMENTS - - 12569, CHANGE IN FAIR VALUE OF INTEREST RATE SWAP - -589567, LOSS ON DERIVATIVE - - 987267, EQUITY TRANSFERS - -3916080, CHANGE IN RESTRICTED FUNDS - 355961, ROUNDING - 70,

Identifier	Return Reference	Explanation
REQUIREMENTS UNDER SINGLE AUDIT ACT AND OMB CIRCULAR A-133	FORM 990, PART III, LINE 3	AS REQUIRED BY THE U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS, IN 2011 SOUTHERN ILLINOIS HEALTHCARE SERVICES AND AFFILIATES RECEIVED AN AUDIT FOR THE 2010 CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH THE SINGLE AUDIT ACT

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization

SOUTHERN ILLINOIS HOSPITAL SERVICES

Employer identification number

37-0618939

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES INC PO BOX 3988 CARBONDALE, IL 62902 37-1136788	LEASING OF MEDICAL SPACE	IL	501(C)(3)	11 - Type II	NA		
(2) SOUTHERN ILLINOIS MEDICAL SERVICES NFP 1239 EAST MAIN STREET CARBONDALE, IL 62901 20-5521741	MEDICAL SERVICES	IL	501(C)(3)	3	NA		
(3) SIH FOUNDATION NFP 1239 EAST MAIN STREET CARBONDALE, IL 62901 27-1933790	FUNDRAISING	IL	501(C)(3)	11 - Type II	NA		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) RIC AND SIHS REHABILITATION SERVICES LLC PO BOX 3988 CARBONDALE, IL62902 36-4566925	MEDICAL SERVICES	IL	NA	RELATED	165,521	1,244,002		No			No	99.9 %
(2) PHYSICIANS' SURGERY CENTER LLC 2601 WEST MAIN STREET CARBONDALE, IL62901 26-0425547	MEDICAL SERVICES	IL	NA	RELATED	1,528,472	1,302,803		No			No	55 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) SIH CAYMAN SPC GROUP LTD PO BOX 1051 CAYMAN ISLANDS KY1-1102 CJ 98-0611605	FINANCING	CJ	NA	C CORPORATION	3,548,479	17,186,909	1.00 %
(2) HEALTH SERVICES OF SOUTHERN ILLINOIS INC PO BOX 3988 CARBONDALE, IL62902 37-1115061	PHARMACY	IL	NA	C CORPORATION			

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

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

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

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

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

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

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SOUTHERN ILLINOIS MEDICAL SERVICES NFP	A	188,811	FMV
(2) SOUTHERN ILLINOIS MEDICAL SERVICES NFP	Q	3,916,095	FMV
(3) SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES INC	J	242,726	FMV
(4) SOUTHERN ILLINOIS MEDICAL SERVICES NFP	O	10,404,675	COST
(5) SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES INC	K	216,347	COST
(6)			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
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SOUTHERN ILLINOIS HOSPITAL SERVICES

**CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

March 31, 2011 and 2010

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Southern Illinois Hospital Services
Carbondale, Illinois

We have audited the accompanying consolidated balance sheets of Southern Illinois Hospital Services ("SIHS" or "Corporation") and its wholly-owned and majority-owned subsidiaries and wholly-controlled affiliate as of March 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of SIH Cayman SPC Group, Ltd., a consolidated subsidiary, which statements reflect total assets and revenue constituting 3% and 1% for each of the years ended March 31, 2011 and 2010 of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SIH Cayman SPC Group, Ltd., is based solely on the report of the other auditors.

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

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southern Illinois Hospital Services and its wholly owned and majority-owned subsidiaries and wholly controlled affiliate as of March 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, effective April 1, 2010 the Corporation designated its investments as trading securities and adopted a new accounting standard that impacts the reporting of non-controlling interests.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedules contained on pages 28 through 35 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.


Crowe Horwath LLP

Oak Brook, Illinois
July 20, 2011

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED BALANCE SHEETS
March 31, 2011 and 2010
(\$ in thousands)

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,983	\$ 7,482
Assets whose use is limited by trust agreement	47	84
Accounts receivable:		
Patient, net	69,480	79,635
Affiliates	95	131
Supplies	7,158	6,158
Prepaid expenses	4,833	3,305
Current portion of notes receivable	142	267
Other	<u>2,831</u>	<u>2,027</u>
Total current assets	<u>93,569</u>	<u>99,089</u>
Assets whose use is limited by:		
Board designation for capital improvements	280,494	214,536
Board designation for self-insurance	12,265	9,694
Trust agreement	<u>10,590</u>	<u>17,740</u>
	<u>303,349</u>	<u>241,970</u>
Property and equipment, net	<u>169,135</u>	<u>162,424</u>
Other Assets:		
Unamortized bond costs, net of accumulated amortization of \$1,076 in 2011 and \$877 in 2010	4,310	4,439
Investments in joint ventures	1,943	2,808
Notes receivable, less current portion	1,030	618
Other	<u>7,284</u>	<u>6,728</u>
	<u>14,567</u>	<u>14,593</u>
Total assets	<u>\$ 580,620</u>	<u>\$ 518,076</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED BALANCE SHEETS
March 31, 2011 and 2010
(\$ in thousands)

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current maturities of long-term debt	\$ 3,104	\$ 2,979
Accounts payable:		
Construction contracts	235	797
Trade	17,003	13,475
Affiliates	27	109
Estimated third-party payor settlements	8,121	7,351
Accrued liabilities:		
Payroll and related expenses	17,175	17,668
Other	<u>7,564</u>	<u>3,126</u>
Total current liabilities	<u>53,229</u>	<u>45,505</u>
Long-term debt, less current maturities	135,759	138,613
Interest rate swap contracts	5,796	4,218
Medical professional liabilities	21,746	17,505
Other	659	655
Non-controlling interest	<u>-</u>	<u>868</u>
	<u>163,960</u>	<u>161,859</u>
 Total liabilities	 <u>217,189</u>	 <u>207,364</u>
Net assets:		
SIHS controlling interest	362,295	310,520
Non-controlling interest	<u>588</u>	<u>-</u>
Total unrestricted	362,883	310,520
Temporarily restricted	<u>548</u>	<u>192</u>
Total net assets	<u>363,431</u>	<u>310,712</u>
 Total liabilities and net assets	 <u>\$ 580,620</u>	 <u>\$ 518,076</u>

See accompanying notes to consolidated financial statements.

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended March 31, 2011 and 2010
(\$ in thousands)

	<u>2011</u>	<u>2010</u>
Net patient service revenue	\$ 390,686	\$ 381,543
Other operating revenue	2,874	3,558
Net assets released from restriction	161	196
Total revenue	<u>393,721</u>	<u>385,297</u>
Expenses		
Salaries	136,570	128,013
Employee benefits	41,167	35,278
Patient chargeable supplies	37,175	34,134
Provision for bad debts	27,466	31,326
Depreciation	23,289	21,810
Purchased services	11,575	11,928
Physicians' fees	23,538	21,124
Professional fees	16,072	16,168
Patient nonchargeable supplies	11,165	10,318
Drugs and pharmaceuticals	11,745	9,578
Insurance	9,686	9,636
Repairs and maintenance	9,342	8,351
Interest and amortization	7,620	6,150
Non-cash interest (income) expense associated with interest rate swap contracts	987	(4,831)
Other supplies and expense	6,911	6,947
Rent expense	2,262	2,632
Miscellaneous expense	4,411	4,685
Total expense	<u>380,981</u>	<u>353,247</u>
Income from operations	<u>12,740</u>	<u>32,050</u>
Non-operating gains (losses)		
Unrestricted gifts and interest income	729	590
Investment income and net realized gains from board designated funds	22,700	7,876
Reclassification of net unrealized gains on securities transferred To trading categories (Note 1)	17,722	-
Change in net unrealized gains on investments	12,624	-
Equity in earnings of joint ventures	3,469	2,038
Other	(318)	(365)
	<u>56,926</u>	<u>10,139</u>
Excess (deficiency) of revenue over expenses before non-controlling interest	<u>69,666</u>	<u>42,189</u>
Net (income) loss attributable to non-controlling interest	-	(62)
Excess of revenue over expenses	<u>69,666</u>	<u>42,127</u>
Change in net unrealized gains on investments	-	33,021
Reclassification of net unrealized gains on securities transferred to trading categories (Note 1)	(17,722)	-
Contributions	420	263
Change in fair value of interest rate swap contracts	(589)	(1,489)
Increase in unrestricted net assets	<u>\$ 51,775</u>	<u>\$ 73,922</u>

See accompanying notes to consolidated financial statements.

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
For the years ended March 31, 2011 and 2010
(\$ in thousands)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets Parent Co.	Non- controlling Interests	Total Net Assets
Balance at April 1, 2009	\$ 236,598	\$ 272	\$ 236,870	\$ -	\$ 236,870
Changes in net assets:					
Contributions	263	116	379	-	379
Releases from restriction	-	(196)	(196)	-	(196)
Change in net unrealized (losses) on investments	33,021	-	33,021	-	33,021
Change in fair value of interest rate swap	(1,489)	-	(1,489)	-	(1,489)
Excess revenue over expenses	<u>42,127</u>	<u>-</u>	<u>42,127</u>	<u>-</u>	<u>42,127</u>
Total change in net assets:	<u>73,922</u>	<u>(80)</u>	<u>73,842</u>	<u>-</u>	<u>73,842</u>
Balance at March 31, 2010	310,520	192	310,712	-	310,712
Changes in net assets:					
Reclassification of non-controlling interest	-	-	-	868	868
Distributions	-	-	-	(11)	(11)
Contributions	420	517	937	-	937
Releases from restriction	-	(161)	(161)	-	(161)
Change in fair value of interest rate swap	(589)	-	(589)	-	(589)
Reclassification of net unrealized gains on securities transferred to the trading categories (Note 1)	(17,722)	-	(17,722)	-	(17,722)
Excess revenue over expenses	<u>69,666</u>	<u>-</u>	<u>69,666</u>	<u>(269)</u>	<u>69,397</u>
Total change in net assets.	<u>51,775</u>	<u>356</u>	<u>52,131</u>	<u>588</u>	<u>52,719</u>
Balance at March 31, 2011	<u>\$ 362,295</u>	<u>\$ 548</u>	<u>\$ 362,843</u>	<u>\$ 588</u>	<u>\$ 363,431</u>

See accompanying notes to consolidated financial statements.

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31, 2011 and 2010
(\$ in thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ 52,719	\$ 73,842
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Non-controlling interest in net income (loss) of consolidated subsidiary	-	62
Reclassification of non-controlling interest	(868)	
Minority dividend distributions	(11)	-
Depreciation	23,289	21,810
Amortization of bond costs	199	150
Write off of bond costs	-	513
Investment amortization	201	76
Provision for bad debts	27,466	31,326
Loss on disposal of property and equipment	142	404
(Gain) Loss on sale of investments	(13,833)	(1,449)
Net unrealized (gains) losses on investments	(12,624)	(33,021)
Undistributed net earnings of joint ventures	(3,469)	(2,038)
(Gain) Loss on interest rate swap contracts	1,578	(3,342)
Changes in working capital components:		
(Increase) decrease in:		
Patient accounts receivable	(17,275)	(40,505)
Supplies, prepaids and other assets	(3,888)	(3,118)
Increase (decrease) in:		
Trade payables	2,915	1,779
Third-party reimbursement programs	770	(1,548)
Payroll and related expenses	(493)	2,121
Medical professional liabilities	4,241	1,231
Other liabilities	4,442	1,194
Net cash from operating activities	<u>65,501</u>	<u>49,487</u>
Cash flows from investing activities		
Purchases of investments	(392,686)	(190,865)
Proceeds from sale of investments	357,580	175,226
Payments received on notes receivable, net of (advances)	(287)	(147)
Proceeds from sale of property and equipment	82	86
Proceeds from sale of interest in SIOC	2,675	-
Distributions from joint venture	1,659	1,903
Purchases and construction of property and equipment	<u>(30,224)</u>	<u>(26,596)</u>
Net cash from investing activities	<u>(61,201)</u>	<u>(40,393)</u>

See accompanying notes to consolidated financial statements.

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31, 2011 and 2010
(\$ in thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from financing activities		
Principal payments on long-term debt	\$ (84)	\$ (186)
Principal payments on line of credit	-	(4,000)
Principal payments on short-term debt	-	(15,000)
Principal payments on bonds	(2,645)	(2,520)
Proceeds from line of credit	-	4,000
Payment of bond costs	(70)	(1,042)
Non-controlling interest contributions	-	-
Net cash from financing activities	<u>(2,799)</u>	<u>(18,748)</u>
 (Decrease) Increase in cash and cash equivalents	 1,501	 (9,654)
Cash and cash equivalents		
Beginning of year	<u>7,482</u>	<u>17,136</u>
End of year	<u>\$ 8,983</u>	<u>\$ 7,482</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 7,345</u>	<u>\$ 5,812</u>
Supplemental disclosures of noncash investing and financing activities		
Construction-in-progress released/(incurred) in exchange for construction contracts payable	<u>\$ 563</u>	<u>\$ (1,285)</u>

See accompanying notes to consolidated financial statements.

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Southern Illinois Hospital Services (SIHS or Corporation) owns and/or operates the following entities:

Memorial Hospital of Carbondale, Carbondale, Illinois (Memorial)
Herrin Hospital, Herrin, Illinois (Herrin)
St. Joseph Memorial Hospital, Murphysboro, Illinois
SIH Cayman SPC Group, Ltd.
Southern Illinois Medical Services, NFP
Physicians' Surgery Center, LLC

The hospitals provide acute inpatient, outpatient and emergency care services. Certain facilities also provide maternity care, rehabilitation care, skilled nursing inpatient care, and intermediate inpatient care. Admitting physicians are primarily practitioners in the local area.

SIHS is the sole stockholder of SIH Cayman SPC Group, Ltd. (Captive), an off-shore captive insurance corporation established to underwrite the general and professional liability risks of the hospitals. The Captive was established effective April 1, 2006.

SIHS serves as the sole member and elects all of the trustees of, and thereby controls, Southern Illinois Medical Services, NFP (SIMS), an Illinois not-for-profit corporation, established to employ physicians and to operate physician practices in Southern Illinois. SIMS was established in November 2006.

As of March 31, 2008, SIHS was the sole member of Physicians' Surgery Center, LLC (PSC), an Illinois Limited Liability Company which was established in May 2007 to operate and manage the ambulatory surgical treatment center that was acquired as part of purchase of the Carbondale Clinic. In April 2008, certain employed and non-employed physicians contributed capital of \$900,000 to PSC in exchange for a 45% equity interest, resulting in SIHS becoming a 55% member of PSC.

Southern Illinois Hospital Services is under the control of Southern Illinois Healthcare Enterprises, Inc. (SIHE). SIHE is a not-for-profit corporation established as a parent corporation. The Corporation is included in the consolidated financial statements of SIHE.

A summary of SIHS's significant accounting policies is as follows:

Principles of Consolidation: The consolidated financial statements include the accounts of SIHS and its wholly owned hospitals Memorial, Herrin and St. Joseph, its wholly owned Subsidiary (Captive), its wholly-controlled Affiliate (SIMS) and its majority-owned Subsidiary (PSC). All material intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The use of estimates and assumptions in the preparation of the accompanying consolidated financial statements is primarily related to the determination of the net patient accounts receivable and settlements with third-party payors and accrual for professional and general liability claims. These estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: All highly liquid investments, excluding assets whose use is limited, purchased with maturity of three months or less are considered to be cash equivalents. Cash equivalents consist of certificates of deposit and money market mutual funds. At times, the Corporation has deposits with financial institutions in excess of federally insured limits.

The Corporation routinely invests its operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations.

Patient Receivables: Patient receivables, where a third-party payor is responsible for paying the amount, are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments or discounts provided to third-party payors.

Patient receivables due directly from patients are carried at the original charge for the service provided less amounts covered by third-party payors and less an estimated allowance for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. A patient receivable is considered past due when the amount billed remains unpaid for more than 30 days subject to a third-party payor's agreed upon terms, if applicable. The hospitals do not charge interest on patient receivable accounts which are past due. Patient receivables are written off as bad debt expense when deemed uncollectible. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense when received.

Supplies: Inventories of supplies are stated at the lower of cost, determined on a first-in, first-out basis, or market.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets. Fair value is determined primarily on the basis of quoted market prices. Investment income or loss (including realized gains and losses on investments, unrealized gains and losses in 2011 and interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

Effective April 1, 2010, the Corporation designated its investments as trading securities. As a result of this designation, \$17,722,000 of cumulative net unrealized gains on the trading portfolio as of April 1, 2010, not previously recognized in earnings, were recognized as nonoperating income. For the year ended March 31, 2010, unrealized gains or losses on investments are excluded from the excess of revenues over expenses, unless the loss is determined to be other than temporary as discussed below.

Investment income on proceeds of borrowings that are held by a trustee are included in operating revenue. Unrestricted contributions and income from all other investments are recorded as nonoperating gains.

Realized gains from the sale of investments are recognized using the first-in, first-out cost basis for sales of marketable equity securities. Gains and losses from sales of debt securities are recognized using a specific identification cost basis.

For the year ended March 31, 2010, investment securities are regularly evaluated for impairment. The Corporation considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Corporation considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other than temporary, the related investment is written down to its estimated fair value and included as a realized loss in excess of revenue over expenses.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets Whose Use is Limited: Assets whose use is limited include assets held by trustees under bond indenture agreements, assets designated for payment of future medical professional liability claims and assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities have been classified as current assets at March 31, 2011 and 2010.

Investments in Joint Ventures: As of March 31, 2011 and 2010, respectively, the Corporation has an interest of 34% and 49% interest in Southern Illinois Orthopedic Center, LLC (SIOC). SIOC was established in fiscal 1999 to build and operate an ambulatory surgical treatment center. On June 1, 2010, the Corporation sold 15% of its interest in SIOC for \$2,675,000, recording a gain of \$1,994,000 to equity in earnings of joint ventures at the date of transaction.

The investment is accounted for by the equity method of accounting under which the Corporation's share of the net income of the affiliate is recognized as income in the Corporation's consolidated statements of operations and added to the investment account, and dividends received from the affiliate are treated as a reduction of the investment account.

Property and Equipment: The Company capitalizes expenditures that exceed \$1,000 and that are expected to have a useful life in excess of two years. Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the assets following guidelines of the American Hospital Association. The Company evaluates the carrying value of long-lived assets whenever significant events or changes in circumstances indicate the carrying value of these assets may be impaired.

Other Assets: Unamortized bond costs relating to the bond issues are being amortized by the straight-line method, which approximates the effective interest method, over the term of the bond issue.

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

Charity Care: The Corporation provides charity care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Operating Income: The statements of operations and changes in net assets include operating income. Changes in unrestricted net assets, which are excluded from operating income include unrestricted contributions and other income which management views as outside of normal activity.

Excess of Revenues Over Expenses: The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include the following transactions when applicable: unrealized gains and losses on investments other than trading securities (for the year-ended March 31, 2010), permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets). The change in the fair value of interest rate swap contracts is excluded from excess of revenue over expenses if it qualifies as a highly effective hedge transaction.

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications: Net assets are segregated into two categories that are classified as unrestricted and temporarily restricted. Contributions received without specific restriction from a donor or that arise as a result of operations are classified as unrestricted net assets. Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets to a particular time or purpose. When a donor restriction expires, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements. The Corporation and its subsidiaries do not have any permanently restricted net assets.

Temporarily restricted net assets are primarily for the purchase of property and equipment.

Income Taxes: The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation realized certain income which the Internal Revenue Service considers to be unrelated business income subject to income tax. For the years ended March 31, 2011 and 2010, no tax was due related to these operations.

The Corporation adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*, on April 1, 2007. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. Examples of tax positions common to health systems include matters such as the tax exempt entity taking a tax position that an organization is tax exempt without observing corresponding proof of tax exemption from federal and state taxing authorities and there is material net income generated by the entity or egregious compensation paid to insiders that could result in revocation of exempt status (outside the scope of intermediate sanctions excise tax penalties). The tax position is to consider that these compensatory arrangements do not jeopardize tax exemption. The benefit of a tax position is recognized in the consolidated financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the "more-likely-than-not" recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for uncertain tax benefits in the accompanying consolidated balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. There were no uncertain tax benefits identified and recorded as a liability upon the adoption of ASC 740 or at March 31, 2011 and 2010. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Company would recognize interest and/or penalties related to income tax matters in miscellaneous expenses.

Tax returns filed by the Corporation are subject to examination by the Internal Revenue Service (IRS) up to three years from the extended due date of each return. Tax returns filed by the Corporation are no longer subject to examination for the years ended March 31, 2007 and prior.

(Continued)

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement: The Corporation adopted ASC 820, effective April 1, 2008. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. The adoption of ASC 820 did not have a material impact on the consolidated financial statements or results of operations. ASC 820 applies to all assets and liabilities that are measured and reported on a fair value basis. See Note 13 for additional information.

Derivative Financial Instruments: The Corporation's derivative financial instruments, which consist of interest rate swap contracts, are recognized on the balance sheet at their fair value. Changes in the fair value of interest rate swaps are recognized as a change in unrestricted net assets below excess (deficiency) of revenue over expenses in the period of change as long as the swap is determined to be an effective cash flow hedge. Any ineffective portion of the swap is recorded as an adjustment to interest expense in the consolidated statement of operations.

Insurance: The Corporation has elected to self-insure a portion of its employee health insurance claims. Amounts are charged against income based upon estimated losses as determined by management for each period. The Corporation is funding this estimated liability on a current basis.

SIHS formed the Captive, an off-shore captive insurance company, to underwrite its professional and general liability losses. The Captive has purchased a reinsurance policy with an unrelated third party to provide excess coverage for large claims. Assets are funded and losses are accrued as expense based upon estimated losses that are determined by actuarial analysis.

SIMS is not covered under the Captive, and has purchased physicians and surgeons professional liability insurance coverage from Medical Alliance Insurance Company. See Note 9 for additional disclosure.

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications did not affect total net assets or changes in net assets.

Recent Accounting Pronouncements: ASU No. 2010-24, Health Care Entities (Topic 954) – Presentation of Insurance Claims and Related Insurance Recoveries will be effective for fiscal year 2012. The amendments in this Update clarify that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The amendments in this Update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The Corporation does not expect adoption of this pronouncement to have a significant impact.

ASU 2010-23, Health Care Entities (Topic 954) – Measuring Charity Care for Disclosure will be effective for fiscal year 2012. The amendments in this Update require that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. The amendments in this update also require disclosure of the method used to identify or determine such costs. The amendments are effective for fiscal years beginning after December 15, 2010 and should be applied retrospectively to all prior periods presented. The Corporation does not expect adoption of this pronouncement to have a significant impact.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Corporation adopted ASC 810-55 Non-controlling Interests on April 1, 2010, which reports non-controlling interest in the Corporation as part of net assets. Previously, all amounts associated with the non-controlling interest were classified as a liability. Based on this adoption, the following changes have been made to the consolidated statement of operations:

	<u>2011</u>
Excess of revenue over expenses (before adoption)	\$ 69,397
Net income attributed to non-controlling interest	<u>269</u>
Excess of revenue over expenses (after adoption)	<u>\$ 69,666</u>

NOTE 2 - HEDGING ACTIVITIES

The Corporation maintains an interest-rate risk-management strategy that uses derivative instruments (interest rate swap contracts) to minimize unanticipated earnings fluctuations caused by interest-rate volatility. The Corporation's specific goals are (1) to manage interest-rate sensitivity by modifying the repricing or maturity characteristics of certain of its debt and (2) to lower (where possible) the cost of its borrowed funds. Interest-rate fluctuations create an unrealized appreciation or depreciation in the market value of the Corporation's debt when compared to its cost. The effect of this unrealized appreciation or depreciation in market value, however, will generally be offset by income or loss on derivative instruments that are linked to the debt.

The Corporation entered into an interest-rate swap contract with the Royal Bank of Canada (RBC) which was intended to convert a portion, \$43,750,000 as of March 31, 2011 and 2010, of their \$69,000,000 Revenue Bonds, Series 2005 with Wells Fargo to a fixed rate of 3.374%. The Series 2005 bonds had an outstanding balance of \$69,000,000 as of March 31, 2011 and 2010. The interest rate swap contract expires in March 2035. The interest rate swap's variable portion was set at 57% of 30 day LIBOR plus .44% which was determined would effectively hedge the auction rate payments. During the first quarter of 2008, the auction rate market experienced large fluctuations and the cash flow hedge was determined to no longer be effective. The swap is no longer tied to these bonds as the bonds now have a fixed interest rate. See Note 8 for further discussion. During 2011 and 2010, respectively, the hedge resulted in additional interest expense of approximately \$1,209,000 and \$1,210,000. The Corporation expects additional interest expense of \$1,255,000 during the year-ended March 31, 2012.

In June 2009, the Corporation entered into an interest-rate swap contract with Morgan Stanley to convert a portion, \$30,000,000 of their \$55,000,000 Series 2008 Variable Rate Demand Revenue Bonds to a fixed rate of 3.844%. The swap amortizes relative to the bonds and had a notional amount of \$29,495,000 and \$29,750,000 as of March 31, 2011 and 2010, respectively. The Series 2008 bonds had an outstanding balance of \$54,065,000 and \$54,540,000 as of March 31, 2011 and 2010, respectively. The interest rate swap expires in March 2038. The interest rate swap's variable portion was set at the SIFMA Municipal Swap Index rate which was determined would effectively hedge the weekly interest rate. Management formally documented the hedging relationship at hedge inception and assesses, both at the hedge's inception and on an ongoing basis, whether the derivative instrument is highly effective in offsetting changes in cash flows of the hedged items. Any ineffectiveness is recorded as a charge to interest expense in the statement of operations. During 2011 and 2010, respectively, the hedge resulted in a reduction of interest expense of approximately \$1,060,000 and \$843,000. The Corporation expects \$1,019,000 of the unrealized loss to be reclassified out of unrestricted net assets as a decrease to interest expense during the year-ended March 31, 2012.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 2 - HEDGING ACTIVITIES (Continued)

The interest rate swap contracts had a combined fair value of \$(5,796,000) and \$(4,218,000) as of March 31, 2011 and 2010, respectively. The change in the fair value of these contracts resulted in a net gain/(loss) of \$(1,577,000) and \$3,342,000 for the years ended March 31, 2011 and 2010, respectively. The change in the fair value of the ineffective hedge (RBC) was recognized as a credit/(debit) to interest expense of \$(987,000) and \$4,831,000 in the consolidated statements of operations for the years ended March 31, 2011 and 2010, respectively. The change in the fair value of the Morgan Stanley contract was recorded as a \$589,000 and \$1,489,000 decrease of unrestricted net assets in the consolidated statement of changes in net assets during 2011 and 2010, respectively. The Corporation is exposed to credit risk if Morgan Stanley or Royal Bank of Canada fails to perform under the terms on the interest rate swap contract.

NOTE 3 - NET PATIENT SERVICE REVENUE

The Corporation has agreements with third-party payors that provide for payments at amounts different from their established rate structures. A summary of the payment arrangements with major third-party payors follows:

Medicare: Memorial and Herrin are paid for inpatient acute care and outpatient care services rendered to Medicare program beneficiaries under prospectively determined rates per discharge (Prospective Payment Systems). These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Memorial's and Herrin's classification of patients under Prospective Payment Systems and the appropriateness of the patient's admissions are subject to validation reviews. Memorial and Herrin are reimbursed for cost reimbursable items at tentative rates with final settlement determined after submission of annual reimbursement reports by Memorial and Herrin and audits by the Medicare fiscal intermediary.

Fiscal year 2008 represented the first of a three-year phase-in period for implementation of new Medicare Severity DRG's, known as MS-DRG's, the first changes to DRG's since 1983. This payment methodology makes meaningful refinements to the current CMS classification system to increase recognition of severity of illness. The new MS-DRG's are designed to adjust for how severely sick a patient is, with hospitals with sicker patients being paid more.

St. Joseph Memorial Hospital is paid for inpatient and outpatient services under the Critical Access Hospital (CAH) methodology. As a CAH, St. Joseph Memorial Hospital is reimbursed based upon a reasonable cost methodology at a tentative rate with final settlement determined after submission of annual cost reports by St. Joseph Memorial Hospital and audits by the third-party Medicare fiscal intermediary.

The Corporation's Medicare cost reports have been audited by the Medicare fiscal intermediary through March 31, 2007.

Medicaid: Inpatient acute care services rendered under the Medicaid program are also paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed based on various predetermined rates.

The fiscal year 2011 net patient service revenue increased by approximately \$1,815,000 due to the adjustment of allowances previously estimated that are no longer necessary as a result of final settlements and years no longer subject to audits, reviews, and investigations.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 3 - NET PATIENT SERVICE REVENUE (Continued)

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

The Federal Centers for Medicare and Medicaid Services (CMS) approved State of Illinois (State) legislation for a Medicaid Hospital Assessment Program (Program). Under the Program, the Corporation receives additional Medicaid reimbursement from the State and pays a related assessment. The laws and regulations authorizing this Program extend through June 30, 2013. The Corporation recorded a prepaid asset of \$1,464,000 and \$0 and a liability of \$3,676,000 and \$0 for the years ended March 31, 2011 and 2010, respectively. Total reimbursement revenue recognized by the Corporation related to this Program amounted to \$14,404,455 and \$14,404,455 during the Corporation's years ended March 31, 2011 and 2010, respectively, and is included in net patient service revenue on the consolidated statements of operations and changes in net assets. Total assessments incurred by the Corporation related to this program amounted to \$5,855,000 and \$5,855,000 during the Corporation's years ended March 31, 2011 and 2010, respectively, and is included in miscellaneous expenses on the consolidated statements of operations and changes in net assets.

A summary of net patient revenue for the years ended March 31, 2011 and 2010 is as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Gross patient service revenue	\$ 941,999	\$ 875,432
Less contractual allowances	<u>551,313</u>	<u>493,889</u>
	<u>\$ 390,686</u>	<u>\$ 381,543</u>

The Corporation maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy.

The following information measures the level of charity care provided during the years ended March 31, 2011 and 2010 (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Charges foregone, based on established rates	<u>\$ 38,694</u>	<u>\$ 20,887</u>

NOTE 4 - PATIENT RECEIVABLES

Patient receivables at March 31, 2011 and 2010 are as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Patient receivables	\$ 160,977	\$ 197,072
Less allowance for doubtful accounts	(26,659)	(31,421)
Less unapplied third party payments and allowances for estimated contractual adjustments	<u>(64,838)</u>	<u>(86,016)</u>
	<u>\$ 69,480</u>	<u>\$ 79,635</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 5 - NOTES RECEIVABLE

Notes receivable bearing interest at various rates at March 31, 2011 and 2010 are as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Physician advances	\$ 1,091	\$ 877
Other miscellaneous receivables	<u>81</u>	<u>8</u>
	1,172	885
Less current portion	<u>142</u>	<u>267</u>
Long-term portion	<u>\$ 1,030</u>	<u>\$ 618</u>

NOTE 6 - INVESTMENTS AND ASSETS WHOSE USE IS LIMITED

The detail of trustee bond funds, consisting of money market funds and U.S. government obligations as of March 31, 2011 and 2010 is as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Project fund - long-term	\$ 10,590	\$ 17,740
Principal and interest fund	<u>47</u>	<u>84</u>
	<u>\$ 10,637</u>	<u>\$ 17,824</u>

Board designated funds for expansion, replacement and major repairs of property and equipment at March 31, 2011 and 2010 are as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Cash	\$ -	\$ -
Certificates of deposit, money market accounts, mutual funds, repurchase agreements, commercial paper and bonds and U.S. government obligations	<u>280,494</u>	<u>214,536</u>
	<u>\$ 280,494</u>	<u>\$ 214,536</u>

Board designated funds for self-insurance consist of U.S. corporate bonds and notes, U.S. government and agency bonds and common stocks totaling \$12,265,000 and \$9,694,000 at March 31, 2011 and 2010, respectively.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 6 - INVESTMENTS AND ASSETS WHOSE USE IS LIMITED (Continued)

The composition of investments and assets whose use is limited as of March 31, 2011 and 2010 are set forth in the following table (\$ in thousands). Investments are stated at fair value.

	<u>2011</u>	<u>2010</u>
Cash, certificates of deposit, money market funds	\$ 19,067	\$ 32,627
U. S. government securities	17,676	29,646
Common stocks	14,861	7,530
Mutual funds	210,878	147,563
Corporate bonds	39,863	24,057
Accrued interest	<u>1,049</u>	<u>631</u>
	<u>\$ 303,394</u>	<u>\$ 242,054</u>

Assets whose use is limited by Board designation for capital improvements and by trust agreement which are designated for payment of current liabilities have been classified as current assets. Assets whose use is limited by Board designation for self-insurance designated for payment of current liabilities is not readily determinable, and therefore, the entire balance is classified as a noncurrent asset.

The gross unrealized gains (losses) on investments and assets whose use is limited as of March 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Gross unrealized gain on investments	\$ 31,616	\$ 18,691
Gross unrealized (losses) on investments	<u>(1,270)</u>	<u>(969)</u>
	<u>\$ 30,346</u>	<u>\$ 17,722</u>

Information pertaining to securities with gross unrealized losses at March 31, 2010, aggregated by investment category and length of time that individual securities have been in a continuous loss position, follows (\$ in thousands):

	<u>Less Than Twelve Months</u>		<u>Over Twelve Months</u>		<u>Total</u>	
	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
<u>2010</u>						
U.S. government securities	\$ 42	\$ 8,077	\$ 2	\$ 54	\$ 44	\$ 8,131
Corporate bonds	87	4,258	-	-	87	4,258
Mutual funds	-	-	769	3,420	769	3,420
Common stock	<u>67</u>	<u>742</u>	<u>2</u>	<u>61</u>	<u>69</u>	<u>803</u>
	<u>\$ 196</u>	<u>\$ 13,077</u>	<u>\$ 773</u>	<u>\$ 3,535</u>	<u>\$ 969</u>	<u>\$ 16,612</u>

During 2010, management evaluated the investment portfolio on an annual basis to determine if investments have suffered an other-than-temporary decline in value. In addition, management monitored market trends and other circumstances to identify trends and circumstances that might impact the carrying value of securities. Significant impairments, individually or collectively, related to other-than-temporary impairment of the investment portfolio were \$0 at March 31, 2010. Effective April 1, 2010, the Corporation designated its investments as trading securities.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 6 - INVESTMENTS AND ASSETS WHOSE USE IS LIMITED (Continued)

Investment income and gains (losses) presented on the consolidated statements of operations for assets whose use is limited, cash equivalents and other investments are comprised of the following (\$ in thousands) for the years ended March 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 8,867	\$ 6,536
Net realized gains (losses) on sale of investments	13,833	1,340
Reclassification of net unrealized gains on securities transferred to the trading category	17,722	-
Net unrealized gains (losses) on investments	<u>12,624</u>	<u>33,021</u>
	<u>\$ 53,046</u>	<u>\$ 40,897</u>

Investment income has been presented on the consolidated statements of operations and changes in net assets in the following categories (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Nonoperating gains:		
Investment income and net realized gains from board designated funds	\$ 22,700	\$ 7,876
Reclassification of net unrealized gains on securities transferred to the trading category	17,722	-
Change in net unrealized gains on investments	12,624	-
Other changes in unrestricted net assets:		
Change in net unrealized gains on investments	<u>-</u>	<u>33,021</u>
	<u>\$ 53,046</u>	<u>\$ 40,897</u>

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2011 and 2010 are as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Buildings	\$ 105,307	\$ 95,952
Building equipment	84,597	74,641
Departmental equipment	127,207	111,520
Land and leasehold improvements	<u>11,765</u>	<u>11,469</u>
	328,876	293,582
Less accumulated depreciation	<u>170,959</u>	<u>152,565</u>
	157,917	141,017
Land	7,942	7,697
Construction-in-progress	<u>3,276</u>	<u>13,710</u>
	<u>\$ 169,135</u>	<u>\$ 162,424</u>

Construction-in-progress represents amounts expended at March 31, 2011 and 2010 for on-going projects at Memorial Hospital, Herrin Hospital, St. Joseph Memorial Hospital and at the Corporate Division. The significant project at Memorial Hospital is the hospital expansion. At Herrin Hospital the ongoing project is the imaging upgrade. The significant project at St. Joseph Memorial Hospital is an air handler replacement. At the Corporate Division, hardware and software upgrades and consultation for other projects are ongoing. These projects will be funded through operations and hospital revenue bond

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 7 - PROPERTY AND EQUIPMENT (Continued)

The projects in progress at March 31, 2011 are expected to be completed in fiscal 2012. The estimated total costs-to-complete construction projects in progress at March 31, 2011 are approximately \$6,568,000.

NOTE 8 - LONG-TERM DEBT

Long-term debt as of March 31, 2011 and 2010 is as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
<u>Hospital revenue bonds</u>		
Series 1998A serial bonds, with interest at 5.375% per annum, payable March 1 annually through 2013	\$ 4,690	\$ 6,860
Series 1998A term bonds, with interest at 5.00% payable semiannually, due March 1, 2017	7,200	7,200
Series 1998A term bonds with interest at 5.00% payable semiannually, due March 1, 2020	3,390	3,390
Series 2005 serial bonds, with interest ranging from 4.00-5.25% per annum, commencing September 1, 2010 semi-annually through March 1, 2024	14,000	14,000
Series 2005 term bonds, with interest at 5.25% per annum, commencing September 1, 2010 semi-annually through March 1, 2030	27,450	27,450
Series 2005 term bonds, with interest at 5.38% per annum, commencing September 1, 2010 semi-annually through March 1, 2035	27,550	27,550
Series 2008, serial bonds, with interest at 0.23% and 0.29% at March 31, 2011 and 2010, respectively with annual payments in 2010 through 2038	54,065	54,540
Line of credit, with interest of LIBOR +3%, secured by all of PSC's assets	250	250
Note payable, with fixed interest of 6.87%, due in monthly installments of \$8,785 including interest, final installment due July 30, 2015, secured by all of PSC's assets	<u>268</u>	<u>352</u>
	138,863	141,592
Less current portion	<u>3,104</u>	<u>2,979</u>
Long-term portion	<u>\$ 135,759</u>	<u>\$ 138,613</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 8 - LONG-TERM DEBT (Continued)

In April 1998, the Illinois Health Facility Authority (Authority) issued \$37,175,000 Series A and \$35,200,000 Series B Revenue Refunding Bonds on behalf of the Corporation. The proceeds of the bond issues were loaned to the Corporation pursuant to a Note Purchase Agreement to advance refund and defease the Series 1994, Series 1991 and Series 1987 bonds and to pay the costs of issuing the Series 1998A and Series 1998B bonds.

The Series 1998A and 1998B bonds are payable solely from payments from the Corporation and are not payable in any manner of taxation by the Authority. The bonds are collateralized by gross revenues (as defined) of the Corporation. Payment of the principal and interest on the Series 1998A and 1998B bonds is insured by the Municipal Bond Investors Assurance Corporation.

In October 2003, the Series 1998B bonds were subject to a Reoffering Circular. The purpose of this Reoffering Circular was to convert the Series 1998B bonds from variable rate demand bonds to Reset Auction Mode Securities (RAMS). The RAMS were dated the date of original issuance and bear interest of the Auction Rate.

In January 2005, the Authority issued \$69,000,000 Reset Auction Mode Variable Rate Revenue Bonds, Series 2005 on behalf of the Corporation. The proceeds of the Series 2005 Bonds were loaned to the Corporation pursuant to a loan agreement between the Corporation and the Authority, and were used primarily to advance refund and defease the Series 2001 bonds, pay the issuing and insurance cost of the 2005 bonds, and finance capital improvement projects for the Corporation. Interest is paid by the Corporation at the auction rate. The bonds are due in varying amounts, beginning March 2016 with the final payment due in 2035. Payment of the principal and interest on the Series 2005 bonds is insured by Financial Security Assurance Inc and collateralized by gross revenues (as defined) of the Corporation. The Corporation entered into an interest rate swap agreement in conjunction with the issuance of the Series 2005 revenue bonds. Please see Note 2 for further discussion of the Corporation's interest rate swaps.

In November 2008, the Corporation converted the Series 2005 Bonds from the Reset Auction Mode Variable Rate to an Index Rate Mode. Under the Index Rate Mode, there was an initial rate period from the time of conversion through November 1, 2011. The Corporation had the right to convert the interest mode on the Bonds before November 1, 2011, which, if exercised, would trigger an automatic mandatory tender and remarketing of the Bonds on the conversion date. In February 2010, the Corporation exercised their right and the Series 2005 Bonds were subject to a Reoffering Circular. The Reoffering Circular converted the 2005 bonds from Index Rate Mode Securities to fixed rate securities with an interest rate ranging from 4.0% to 5.38% through 2035.

In November 2008, the Authority issued \$55,000,000 of Variable Rate Demand Revenue Bonds, Series 2008, tax exempt bonds pursuant to a bond trust indenture between the Authority and Wells Fargo Bank, N.A., as bond trustee. The proceeds of the bond issue were loaned to the Corporation to finance the cost of the acquisition, construction, renovation and equipping of certain health facilities of the Corporation and the Designated Affiliate (SIHS) and to refund all of the Authority's Series 1998B Auction Rate Mode Securities which had a principal balance of \$24,500,000.

In accordance with the provisions of the Bond Trust Indenture, the Corporation is required to make deposits for principal and interest to cover debt service on outstanding obligations as they come due. Such deposits are held by a trustee and are reported within assets whose use is limited in the accompanying statement of financial position.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 8 - LONG-TERM DEBT (Continued)

The Series 2008 Bonds will bear interest initially at a weekly rate and give the bond holders the option of tendering their bonds for purchase while in the weekly interest rate mode. The Corporation has entered into a Remarketing Agreement (the Agreement) with Morgan Stanley & Co. Incorporated which provides for a "best efforts" remarketing of the bonds which are tendered for purchase. If the bonds cannot be remarketed, the tendered bonds will be purchased by The Bank of Nova Scotia pursuant to the terms of the letters-of-credit agreement.

Upon purchase of the Bonds by the Bank, the Bank will be granted all security rights granted to a bondholder under the Bond Indenture. In accordance with a reimbursement agreement between the Corporation and the Bank, if there is no event of default, the Corporation will reimburse the Bank for all amounts drawn on the letter-of-credit on the first business day to occur at least 365 days after the date of the related advance. The initial letter-of credit expires on December 2, 2011. The obligations of the Corporation to the Bank under the reimbursement agreement are secured by the same rights noted in the bond trust indenture.

At March 31, 2011, the aggregate annual maturities of long-term debt are as follows (\$ in thousands):

<u>Year Ending March 31,</u>	<u>Amount</u>
2012	\$ 3,104
2013	3,016
2014	3,138
2015	3,200
2016	3,335
Thereafter	<u>123,070</u>
	<u>\$ 138,863</u>

The Hospital revenue bonds are obligations of the Southern Illinois Healthcare Obligated Group (Obligated Group) which includes Southern Illinois Healthcare Enterprises, Inc. and its designated affiliate. Southern Illinois Hospital Services is the designated affiliate of these bonds.

The Master Trust Indenture imposes certain restrictive covenants upon the Obligated Group. The most restrictive of the covenants relates to the issuance of additional debt, the calculation of the historical debt service coverage ratio of the Obligated Group and restrictions upon the ability of the Obligated Group to sell, lease or dispose of its property. As of March 31, 2011, the Corporation was in compliance with these covenants.

The Corporation has guaranteed 49% of an SIOC bank loan. The outstanding guaranteed amount was approximately \$0 and \$36,380 as of March 31, 2011 and 2010, respectively. The SIOC bank loan was paid in full during the year ended March 31, 2011.

The Corporation has a credit card account with a bank with a credit limit of \$7,000,000. As of March 31, 2011, approximately \$1,025,000 had been drawn on the credit card account. As of March 31, 2010, approximately \$179,000 had been drawn on the credit card account.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 8 - LONG-TERM DEBT (Continued)

The Corporation has a line of credit from a bank with a credit limit of \$4,000,000. There were no draws on the line of credit for each of the years ended March 31, 2011 and 2010. The Company's letter of credit expires on December 2, 2011. The letter of credit supports the 2008 bonds and the remarketing efforts necessary for those bonds. The estimated date for this to occur is on or about November 30, 2011. Per the terms of the Reimbursement Agreement, the first repayment on the letter of credit will not be due until 365 days after November 30, 2011. As this process and the underlying dates are outside the period that would qualify for consideration of reclassifying the debt as short term, recognition of the debt as long-term is still warranted as of March 31, 2011.

PSC has a line-of-credit from a bank with a credit limit of \$400,000, expiring May 30, 2012. Draws on the line-of-credit were \$250,000 for each of the years ended March 31, 2011 and 2010.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Corporation is a party to certain claims and legal proceedings arising in the ordinary course of its business. It is the opinion of management that any liability of the Corporation with respect to these actions will not materially affect its financial condition.

The Corporation is also a defendant in various lawsuits which, in the opinion of management, are covered by insurance.

Prior to January 1, 2006, Memorial, Herrin and St. Joseph hospitals purchased general and professional liability insurance coverage from the Illinois Provider Trust (IPT). IPT is a pooled self-insurance trust program organized under Illinois Statutes for the purpose of providing general and professional liability insurance to member hospitals on a claims-made basis (IPT was on the occurrence-basis until January 1, 2005). Under the policies with IPT, Memorial, Herrin and St. Joseph hospitals bear the risk for individual claims exceeding \$10,000,000, \$8,000,000 and \$5,000,000, respectively.

Effective April 1, 2006, the Corporation established an offshore captive insurance company (Captive) domiciled in the Cayman Islands. The Corporation funded the Captive through a \$3.3 million infusion of capital during April 2006.

The Captive provides medical professional liability coverage, on a claims-made basis with "prior acts" coverage and general liability coverage including employee benefits liability, advertising and personal injury, product liability and completed operations liability on an occurrence basis to the Corporation and its affiliates and employees. Coverage was written for the stub period January 1, 2006 to April 1, 2006 and for the policy period April 1, 2006 to April 1, 2007, with a limit of \$3,000,000 for each and every claim with a \$10,000,000 policy aggregate for general liability and medical professional liability. As of April 1, 2008, the policy limit was decreased to \$2,000,000 for each claim.

For the policy period April 1, 2006 to April 1, 2007, the Captive provided umbrella liability coverage, excess of the primary general liability, medical professional liability, automobile liability, aviation liability and employers liability policies to the Corporation and its affiliates and employees, with limits up to \$20,000,000 per claim and \$20,000,000 in the aggregate. Effective April 1, 2007 the umbrella liability limits were increased to \$35,000,000 per claim and \$35,000,000 in the aggregate. Effective April 1, 2009 the limits increased to \$45,000,000 per claim and in the aggregate.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

For policy periods April 1, 2006 to April 1, 2011, this excess insurance policy was fully reinsured with an unrelated insurer based in the United States of America. The amounts of reinsurance recoverable on unpaid losses as of March 31, 2011 and 2010 were approximately \$3,973,000 and \$3,478,000, respectively.

The Captive utilizes the services of an independent actuary to determine the year-end liability assessments. Accrued professional and general liability claim losses have been discounted at 2.5% for the years ended March 31, 2011 and 2010. The portion of the accrual for estimated professional and general liability claims expected to be paid within one year of the balance sheet dates is not readily determinable and, therefore, the entire accrual balance is classified as a noncurrent liability.

There are no assurances that the Corporation or the Captive will be able to renew existing policies or procure coverage on similar terms in the future as a result of current factors affecting the insurance industry.

The Corporation accrues the expense of its share of malpractice claim costs for any unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate cost of any such incident. Such an estimate is based on the Corporation's own claims experience. The Corporation has recorded liabilities for Memorial, Herrin, and St. Joseph hospitals of \$3,593,000 and \$3,092,000 for claims incurred but not reported (IBNR) related to claims occurring subsequent to January 1, 2005 which were not reported as of March 31, 2011 and 2010, respectively. The Corporation has recorded liabilities for SIMS of approximately \$1,344,000 and \$1,110,000 for claims incurred but not reported (IBNR) related to claims occurring subsequent to January 15, 2007 which were not reported as of March 31, 2011 and 2010, respectively. These liabilities are included in medical professional liabilities on the consolidated balance sheets as of March 31, 2011 and 2010. Self-insured professional and general liability expense of approximately \$4,709,000 in 2011 and \$3,849,000 in 2010 has been included within insurance expense in the accompanying consolidated statements of operations.

In the event that the excess loss insurance and reinsurance companies might be unable to meet their obligations under existing excess loss insurance and reinsurance agreements, the Corporation would be liable for such defaulted amounts.

SIMS purchased physicians and surgeons professional liability insurance coverage from the Medical Alliance Insurance Company (MAIC). MAIC provides coverage to physicians on staff at hospital members of the Illinois Provider Trust (IPT) and self-insured hospitals being served by Illinois Risk Management Services (IRMS). IPT is a pooled self-insurance trust program organized under Illinois statutes for the purpose of providing general and professional liability insurance to member hospitals on a claims-made basis.

Coverage was written for the period from January 1, 2008 to January 1, 2011 and then renewed through January 1, 2012, with a limit of \$1,000,000 for each and every claim with a \$3 million per physician limit for physicians and surgeons liability. A separate policy provides coverage for Emergency Room Physicians for the period from July 1, 2008 to July 1, 2011, and then renewed through July 1, 2012, with a limit of \$1,000,000 for each and every claim with a \$25 million policy aggregate for physicians and surgeons' liability.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

The Corporation has elected to self-insure a portion of its employee health insurance cost. The Corporation is self-insured up to \$150,000 per enrollee per year for each of the years ended March 31, 2011 and 2010. Losses in excess of this self-insurance amount are covered by reinsurance. The expense related to claims paid and accrued for health insurance costs, recognized for the years ended March 31, 2011 and 2010, was approximately \$21,561,000 and \$17,517,000, respectively. The expense related to claims paid and accrued for dental insurance claims, recognized for the years ended March 31, 2011 and 2010, was approximately \$1,101,000 and \$980,000, respectively.

At March 31, 2011, the Corporation was committed to various fixed minimum operating and rental payments under various agreements as follows (\$ in thousands):

<u>Year Ending March 31,</u>	<u>Amount</u>
2012	\$ 1,795
2013	1,478
2014	1,249
2015	556
2016	<u>81</u>
	<u>\$ 5,159</u>

Total rent and lease expense for the years ended March 31, 2011 and 2010 was approximately \$2,262,000 and \$2,632,000, respectively.

Regulatory Investigations: The U.S. Department of Justice and other federal agencies routinely conduct regulatory investigations and compliance audits of health care providers. The Corporation is subject to these regulatory efforts. Management is currently unaware of any regulatory matters which may have a material adverse effect on the Corporation's financial position or results of operations.

Congress passed the Medicare Modernization Act in 2003, which among other things established a demonstration of The Medicare Recovery Audit Contractor (RAC) program. During fiscal year 2007, the RAC's identified and corrected a significant amount of improper overpayments to providers. In 2006, Congress passed the Tax Relief and Health Care Act of 2006 which authorized the expansion of the RAC program to all 50 states. During 2010, auditors began work with Illinois hospitals. The Corporation has received various requests for information from these auditors and will continue to work with them to respond to questions they may have.

NOTE 10 - PENSION PLANS

The Corporation has a defined contribution plan covering substantially all of its employees who meet eligibility requirements. The Corporation's policy is to make matching contributions up to 2.5% of employee deferrals as well as a discretionary contribution of 1.5% of employee's earnings. The Corporation contributed approximately \$4,125,000 and \$3,803,000, for the years ended March 31, 2011 and 2010, respectively.

The Corporation also has a supplemental nonqualified, defined contribution plan covering selected executive employees. The Corporation's policy is to make an annual contribution to the Plan. This amount is calculated by multiplying each participant's percentage, as set forth in the Plan Document, by his or her base salary for the Plan Year. For the Plan Year commencing October 1, 2010 and 2009, respectively, the Corporation contributed approximately \$772,000 and \$621,000 to the Plan.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 10 - PENSION PLANS (Continued)

The Corporation also has a noncontributory defined contribution investment program, containing a split-dollar life option, covering designated executive employees. The Corporation's contributions are based on the compensation of the employees, and amounted to approximately \$240,000 and \$225,000 for 2011 and 2010, respectively.

NOTE 11 - RELATED-PARTY TRANSACTIONS

Southern Illinois Hospital Services is under the control of Southern Illinois Healthcare Enterprises, Inc. (SIHE). SIHE is a not-for-profit corporation established as a parent corporation. The Corporation is included in the consolidated financial statements of SIHE. The Corporation rents buildings from SIHE. Rent paid to SIHE totaled approximately \$517,000 and \$513,000 for the years ended March 31, 2011 and 2010, respectively.

Health Services of Southern Illinois, Inc. (HSSI) - an Illinois for-profit corporation established to engage in other health related activities is also under common control of SIHE.

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 825 requires disclosure of fair value information about financial instruments, whether or not recognized in the balance sheet. Fair value is determined under the framework established by ASC 820. ASC 825 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Corporation. The following information presents estimated fair values of the Corporation's financial instruments as of March 31, 2011 and 2010 and the methods and assumptions used to estimate those fair values. The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, notes receivable, other current assets, and accounts payable. Based on the current maturity of these instruments, carrying value approximates fair value. The Corporation also has assets whose use is limited, investments and debt. The fair value of assets whose use is limited and investments is based upon quoted market rates or, if not available, estimated market rates. The fair value of the Corporation's long term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Corporation long-term debt at March 31, 2011 and 2010 was approximately \$136,140,000 and \$142,364,000.

NOTE 13 - FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, ASC 820 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 13 - FAIR VALUE MEASUREMENTS (Continued)

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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

Investments (Recurring): The fair value of the Corporation's investments are determined using the Level 1 and Level 2 inputs, which are derived from readily available pricing sources and third-party pricing services for identical or comparable instruments, respectively.

Interest Rate Swap Contract (Recurring): The Corporation's interest rate swaps are pay-fixed, receive-variable interest rate swaps based on LIBOR or SIFMA Municipal Swap Index rates ("swap rates"). The swap rates are observable at commonly quoted intervals for the full term of the swaps and therefore are considered a Level 2 item. For the interest rate swaps in an asset position, the credit standing of the counterparty is analyzed and factored into the fair value measurement of the asset. ASC 820 states that the fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of the Corporation's creditworthiness has also been factored into the fair value measurement of the interest rate swaps in a liability position.

Assets and Liabilities at Fair Value on a Recurring Basis

The following table summarizes assets and liabilities (\$ in thousands) measured at fair value on a recurring basis as of March 31, 2011 and 2010, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

	March 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Investments				
US government securities	\$ 17,676	\$ 1,540	\$ 16,136	\$ -
Common stocks	14,861	14,861	-	-
Mutual funds	210,878	210,878	-	-
Corporate bonds	<u>39,863</u>	<u>-</u>	<u>39,863</u>	<u>-</u>
	<u>\$ 283,278</u>	<u>\$ 227,279</u>	<u>\$ 55,999</u>	<u>\$ -</u>
Liabilities:				
Interest rate swap contracts	<u>\$ 5,796</u>	<u>\$ -</u>	<u>\$ 5,796</u>	<u>\$ -</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 13 - FAIR VALUE MEASUREMENTS (Continued)

	March 31, <u>2010</u>	Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Assets:				
Investments				
US government securities	\$ 29,646	\$ 235	\$ 29,410	\$ -
Common stocks	7,530	7,530	-	-
Mutual funds	147,563	147,563	-	-
Corporate bonds	<u>24,057</u>	<u>-</u>	<u>24,057</u>	<u>-</u>
	<u>\$ 208,796</u>	<u>\$ 155,328</u>	<u>\$ 53,467</u>	<u>\$ -</u>
Liabilities:				
Interest rate swap contracts	<u>\$ 4,218</u>	<u>\$ -</u>	<u>\$ 4,218</u>	<u>\$ -</u>

NOTE 14 - CONCENTRATIONS OF CREDIT RISK

The Corporation grants credit, without collateral, to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of gross patient service revenue and receivables from patients and third-party payors at March 31, 2011 and 2010 was as follows:

	<u>Gross Patient Service Revenue</u>		<u>Patient Receivables</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Medicare	43%	43%	23%	25%
Medicaid	19	17	16	20
Other third-party payors	34	34	41	34
Patients	<u>4</u>	<u>6</u>	<u>20</u>	<u>21</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

At March 31, 2011, the Corporation had cash deposits in bank accounts which exceeded Federal Depository Insurance Corporation limits by material amounts. The majority of this excess was on deposit with local financial institutions and management believes that the credit risk related to these deposits is minimal.

The Corporation routinely invests in money market mutual funds. Investments in money market funds are not insured or guaranteed by the U.S. government; however, management believes that credit risk related to these investments is minimal.

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011 and 2010

NOTE 15 - FUNCTIONAL EXPENSES

The Corporation provides comprehensive quality health care services to the residents of the Southern Illinois area. The operating expenses included in the consolidated statements of operations are primarily related to providing these health care related services. For the years ended March 31, 2011 and 2010, these expenses are as follows (\$ in thousands):

	<u>2011</u>	<u>2010</u>
Health care services	\$ 330,317	\$ 307,369
General and administrative	50,225	45,340
Fundraising	<u>439</u>	<u>538</u>
	<u>\$ 380,981</u>	<u>\$ 353,247</u>

NOTE 16 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to March 31, 2011, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended March 31, 2011. Management has performed their analysis through July 20, 2011, the date the financial statements were issued.

SUPPLEMENTARY INFORMATION

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING BALANCE SHEET

March 31, 2011
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
ASSETS										
Current assets										
Cash and cash equivalents	\$ 3,823	\$ 2,478	\$ 1,874	\$ 125	\$ 8,300	\$ (409)	\$ 937	\$ 155	\$ -	\$ 8,983
Assets whose use is limited by trust agreement	12	29	6	-	47	-	-	-	-	47
Accounts receivable										
Patient, net	39,287	17,238	7,734	-	64,259	4,725	-	496	-	69,480
Affiliates	-	-	-	2,351	2,351	-	-	-	(2,256)	95
Supplies	4,236	1,117	491	1,139	6,983	12	-	163	-	7,158
Prepaid expenses	1,639	523	147	1,701	4,010	776	12	35	-	4,833
Current portion of notes receivable	76	21	22	23	142	-	-	-	-	142
Other	619	166	72	1,893	2,750	81	-	-	-	2,831
Total current assets	<u>49,692</u>	<u>21,572</u>	<u>10,346</u>	<u>7,232</u>	<u>88,842</u>	<u>5,185</u>	<u>949</u>	<u>849</u>	<u>(2,256)</u>	<u>93,569</u>
Assets whose use is limited by:										
Board designation for capital improvements	185,328	72,743	16,787	5,596	280,454	-	-	40	-	280,494
Board designation for self-insurance	-	-	-	-	-	-	12,265	-	-	12,265
Trust agreement	<u>6,963</u>	<u>3,627</u>	<u>-</u>	<u>-</u>	<u>10,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,590</u>
	<u>192,291</u>	<u>76,370</u>	<u>16,787</u>	<u>5,596</u>	<u>291,044</u>	<u>-</u>	<u>12,265</u>	<u>40</u>	<u>-</u>	<u>303,349</u>
Property and equipment, net	<u>72,496</u>	<u>53,305</u>	<u>16,039</u>	<u>20,737</u>	<u>162,577</u>	<u>5,955</u>	<u>-</u>	<u>603</u>	<u>-</u>	<u>169,135</u>
Other assets										
Unamortized bond costs, net	2,574	1,483	253	-	4,310	-	-	-	-	4,310
Investments in joint ventures	1,942	1	-	1,205	3,148	-	-	-	(1,205)	1,943
Notes receivable, less current portion	259	575	27	58	919	111	-	-	-	1,030
Other	<u>94</u>	<u>219</u>	<u>79</u>	<u>1,880</u>	<u>2,272</u>	<u>166</u>	<u>3,973</u>	<u>873</u>	<u>-</u>	<u>7,284</u>
	<u>4,869</u>	<u>2,278</u>	<u>359</u>	<u>3,143</u>	<u>10,649</u>	<u>277</u>	<u>3,973</u>	<u>873</u>	<u>(1,205)</u>	<u>14,567</u>
Total assets	<u>\$ 319,348</u>	<u>\$ 153,525</u>	<u>\$ 43,531</u>	<u>\$ 36,708</u>	<u>\$ 553,112</u>	<u>\$ 11,417</u>	<u>\$ 17,187</u>	<u>\$ 2,365</u>	<u>\$ (3,461)</u>	<u>\$ 580,620</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING BALANCE SHEET

March 31, 2011
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
LIABILITIES AND NET ASSETS										
Current liabilities										
Current maturities of long-term debt	\$ 1,887	\$ 714	\$ 164	\$ -	\$ 2,765	\$ -	\$ -	\$ 339	\$ -	\$ 3,104
Accounts payable:										
Construction contracts	111	5	119	-	235	-	-	-	-	235
Trade	6,634	2,653	831	6,131	16,249	550	70	134	-	17,003
Affiliates	-	-	-	-	-	2,019	195	69	(2,256)	27
Estimated third-party payor settlements	5,283	1,955	860	(240)	7,858	-	-	263	-	8,121
Accrued liabilities:										
Payroll and related expenses	6,626	3,877	1,354	3,237	15,094	2,025	-	56	-	17,175
Other	4,155	1,108	397	1,508	7,168	390	-	6	-	7,564
Total current liabilities	<u>24,696</u>	<u>10,312</u>	<u>3,725</u>	<u>10,636</u>	<u>49,369</u>	<u>4,984</u>	<u>265</u>	<u>867</u>	<u>(2,256)</u>	<u>53,229</u>
Long-term debt, less current maturities	78,883	48,150	8,547	-	135,580	-	-	179	-	135,759
Interest rate swap contract	3,364	2,081	351	-	5,796	-	-	-	-	5,796
Medical professional liabilities	2,281	934	397	-	3,612	1,344	16,790	-	-	21,746
Other	146	187	-	290	623	36	-	-	-	659
Total liabilities	<u>84,674</u>	<u>51,352</u>	<u>9,295</u>	<u>290</u>	<u>145,611</u>	<u>1,380</u>	<u>16,790</u>	<u>179</u>	<u>-</u>	<u>163,960</u>
	<u>109,370</u>	<u>61,664</u>	<u>13,020</u>	<u>10,926</u>	<u>194,980</u>	<u>6,364</u>	<u>17,055</u>	<u>1,046</u>	<u>(2,256)</u>	<u>217,189</u>
Net assets										
Common Stock	-	-	-	-	-	-	120	1,100	(1,220)	-
SIHS unrestricted	209,978	91,749	30,511	25,346	357,584	5,053	12	(369)	15	362,295
Non-controlling interest	-	-	-	-	-	-	-	588	-	588
Total unrestricted	<u>209,978</u>	<u>91,749</u>	<u>30,511</u>	<u>25,346</u>	<u>357,584</u>	<u>5,053</u>	<u>132</u>	<u>1,319</u>	<u>(1,205)</u>	<u>362,883</u>
Temporarily restricted	-	112	-	436	548	-	-	-	-	548
Total net assets	<u>209,978</u>	<u>91,861</u>	<u>30,511</u>	<u>25,782</u>	<u>358,132</u>	<u>5,053</u>	<u>132</u>	<u>1,319</u>	<u>(1,205)</u>	<u>363,431</u>
Total liabilities and net assets	<u>\$ 319,348</u>	<u>\$ 153,525</u>	<u>\$ 43,531</u>	<u>\$ 36,708</u>	<u>\$ 553,112</u>	<u>\$ 11,417</u>	<u>\$ 17,187</u>	<u>\$ 2,365</u>	<u>\$ (3,461)</u>	<u>\$ 580,620</u>

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING BALANCE SHEET
March 31, 2010
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
ASSETS										
Current assets										
Cash and cash equivalents	\$ 4,406	\$ 653	\$ 782	\$ 130	\$ 5,971	\$ 100	\$ 1,325	\$ 86	\$ -	\$ 7,482
Assets whose use is limited by trust agreement	22	52	10	-	84	-	-	-	-	84
Accounts receivable										
Patient, net	48,045	18,462	7,902	-	74,409	4,676	-	550	-	79,635
Affiliates	-	-	-	3,175	3,175	20	-	-	(3,064)	131
Supplies	3,487	1,039	304	1,107	5,937	18	-	203	-	6,158
Prepaid expenses	780	364	116	1,377	2,637	621	11	36	-	3,305
Current portion of notes receivable	89	122	48	8	267	-	-	-	-	267
Other	635	139	80	996	1,850	36	141	-	-	2,027
Total current assets	<u>57,464</u>	<u>20,831</u>	<u>9,242</u>	<u>6,793</u>	<u>94,330</u>	<u>5,471</u>	<u>1,477</u>	<u>875</u>	<u>(3,064)</u>	<u>99,089</u>
Assets whose use is limited by:										
Board designation for capital improvements	142,961	54,649	12,612	4,204	214,426	-	-	110	-	214,536
Board designation for self-insurance	-	-	-	-	-	-	9,694	-	-	9,694
Trust agreement	<u>7,338</u>	<u>8,558</u>	<u>1,844</u>	<u>-</u>	<u>17,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,740</u>
	<u>150,299</u>	<u>63,207</u>	<u>14,456</u>	<u>4,204</u>	<u>232,166</u>	<u>-</u>	<u>9,694</u>	<u>110</u>	<u>-</u>	<u>241,970</u>
Property and equipment, net	<u>73,025</u>	<u>49,530</u>	<u>14,157</u>	<u>19,487</u>	<u>156,199</u>	<u>5,491</u>	<u>-</u>	<u>734</u>	<u>-</u>	<u>162,424</u>
Other assets										
Unamortized bond costs, net	2,652	1,526	261	-	4,439	-	-	-	-	4,439
Investments in joint ventures	2,807	1	-	1,220	4,028	-	-	-	(1,220)	2,808
Notes receivable, less current portion	107	459	20	-	586	32	-	-	-	618
Other	<u>88</u>	<u>216</u>	<u>79</u>	<u>1,446</u>	<u>1,829</u>	<u>98</u>	<u>3,478</u>	<u>1,323</u>	<u>-</u>	<u>6,728</u>
	<u>5,654</u>	<u>2,202</u>	<u>360</u>	<u>2,666</u>	<u>10,882</u>	<u>130</u>	<u>3,478</u>	<u>1,323</u>	<u>(1,220)</u>	<u>14,593</u>
Total assets	<u>\$ 286,442</u>	<u>\$ 135,770</u>	<u>\$ 38,215</u>	<u>\$ 33,150</u>	<u>\$ 493,577</u>	<u>\$ 11,092</u>	<u>\$ 14,649</u>	<u>\$ 3,042</u>	<u>\$ (4,284)</u>	<u>\$ 518,076</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING BALANCE SHEET
March 31, 2010
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
LIABILITIES AND NET ASSETS										
Current liabilities										
Current maturities of long-term debt	\$ 1,801	\$ 686	\$ 158	\$ -	\$ 2,645	\$ -	\$ -	\$ 334	\$ -	\$ 2,979
Accounts payable:										
Construction contracts	152	564	53	16	785	12	-	-	-	797
Trade	5,353	2,948	685	3,749	12,735	553	75	135	(23)	13,475
Affiliates	-	-	-	(240)	-	2,126	-	118	(2,135)	109
Estimated third-party payor settlements	3,217	4,166	32	-	7,175	-	-	176	-	7,351
Accrued liabilities:										
Payroll and related expenses	6,866	4,022	1,482	2,955	15,325	2,285	-	58	-	17,668
Other	877	485	224	1,282	2,868	253	-	5	-	3,126
Total current liabilities	18,266	12,871	2,634	7,762	41,533	5,229	75	826	(2,158)	45,505
Long-term debt, less current maturities	80,769	48,864	8,712	-	138,345	-	-	268	-	138,613
Interest rate swap contract	2,453	1,511	254	-	4,218	-	-	-	-	4,218
Medical professional liabilities	1,963	804	325	-	3,092	1,111	14,207	-	(905)	17,505
Other	148	276	4	215	643	12	-	-	-	655
Non-controlling interest	-	-	-	-	-	-	-	868	-	868
Total liabilities	85,333	51,455	9,295	215	146,298	1,123	14,207	1,136	(905)	161,859
	103,599	64,326	11,929	7,977	187,831	6,352	14,282	1,962	(3,063)	207,364
Net assets										
Common Stock	-	-	-	-	-	-	120	1,100	(1,220)	-
Unrestricted	182,817	71,437	26,285	25,015	305,554	4,740	247	(20)	(1)	310,520
Temporarily restricted	26	7	1	158	192	-	-	-	-	192
Total net assets	182,843	71,444	26,286	25,173	305,746	4,740	367	1,080	(1,221)	310,712
Total liabilities and net assets	\$ 286,442	\$ 135,770	\$ 38,215	\$ 33,150	\$ 493,577	\$ 11,092	\$ 14,649	\$ 3,042	\$ (4,284)	\$ 518,076

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING STATEMENT OF OPERATIONS
Year-ended March 31, 2011
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Eliminations	Total
Gross patient revenue	\$ 503,929	\$ 276,749	\$ 83,529	\$ -	\$ 864,207	\$ 68,686	\$ -	\$ 9,106	\$ -	\$ 941,999
Contractual allowances	291,126	171,800	43,831	-	506,757	38,396	-	6,160	-	551,313
Net patient service revenue	212,803	104,949	39,698	-	357,450	30,290	-	2,946	-	390,686
Other operating revenue	1,827	414	161	888	3,290	1,361	3,254	1	(5,032)	2,874
Net assets released from restriction	26	-	1	134	161	-	-	-	-	161
Corporate allocation	649	266	107	(1,022)	-	-	-	-	-	-
Total revenue	215,305	105,629	39,967	-	360,901	31,651	3,254	2,947	(5,032)	393,721
Expenses:										
Salaries	53,624	31,420	12,215	19,137	116,396	19,347	-	827	-	136,570
Employee benefits	18,294	10,794	3,649	4,777	37,514	3,442	-	211	-	41,167
Patient chargeable supplies	29,267	6,852	1,009	-	37,128	47	-	-	-	37,175
Provision for (recovery of) bad debts	9,790	8,340	3,029	(5)	21,154	6,192	-	120	-	27,466
Depreciation	9,018	4,710	2,080	6,530	22,338	705	-	246	-	23,289
Purchased services	3,547	2,854	591	4,305	11,297	179	-	118	(19)	11,575
Physicians' fees	9,987	4,907	1,953	181	17,028	6,510	-	-	-	23,538
Professional fees	3,431	2,729	2,001	4,119	12,280	3,533	109	150	-	16,072
Patient nonchargeable supplies	7,098	3,133	788	1	11,020	145	-	-	-	11,165
Drugs and pharmaceuticals	3,485	4,314	1,454	-	9,253	1,453	-	1,039	-	11,745
Insurance	5,233	2,207	897	349	8,686	2,041	3,606	62	(4,709)	9,686
Repairs and maintenance	2,984	1,362	494	4,406	9,246	63	-	33	-	9,342
Interest and amortization	4,781	2,370	418	19	7,588	-	-	32	-	7,620
Non-cash interest expense associated with interest rate swap contract	637	307	43	-	987	-	-	-	-	987
Other supplies and expense	3,975	2,286	546	(132)	6,675	191	-	45	-	6,911
Rent expense	819	303	249	528	1,899	859	-	152	(648)	2,262
Miscellaneous expense	6,277	2,792	784	3,523	13,376	(9,455)	70	76	344	4,411
Corporate allocation	30,314	12,412	5,012	(47,738)	-	-	-	-	-	-
Total expense	202,561	104,092	37,212	-	343,865	35,252	3,785	3,111	(5,032)	380,981
Income from operations	12,744	1,537	2,755	-	17,036	(3,601)	(531)	(164)	-	12,740

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING STATEMENT OF OPERATIONS
Year-ended March 31, 2011
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
Nonoperating gains (losses)	\$ 507	\$ 83	\$ 109	\$ 718	\$ 3	\$ -	\$ 8	\$ -	\$ 729
Unrestricted gifts and interest income	14,631	5,764	1,335	22,169	-	531	-	-	22,700
Investment income and net gains from board designated funds	-	-	-	17,722	-	-	-	-	17,722
Reclassification of net unrealized gains on securities transferred to trading securities (Note 1)	8,487	3,344	772	12,860	-	(236)	-	-	12,624
Change in net unrealized gains on investments	2,953	516	-	3,469	-	-	-	-	3,469
Equity earning of joint venture	(72)	(12)	(55)	(137)	(5)	-	(176)	-	(318)
Other	456	186	75	(717)	-	-	-	-	-
Corporate allocation	<u>26,962</u>	<u>9,881</u>	<u>2,236</u>	<u>56,801</u>	<u>(2)</u>	<u>295</u>	<u>(437)</u>	<u>-</u>	<u>56,926</u>
Excess (deficiency) of revenues over expenses	<u>39,706</u>	<u>11,418</u>	<u>4,991</u>	<u>73,837</u>	<u>(3,603)</u>	<u>(236)</u>	<u>(601)</u>	<u>-</u>	<u>69,666</u>
Corporate allocation	5	2	1	(8)	-	-	-	-	-
Reclassification of net unrealized gains on securities transferred to trading securities (Note 1)	-	-	-	(17,722)	-	-	-	-	(17,722)
Contributions	341	13	58	420	-	-	-	-	420
Contributions to affiliate	(12,618)	9,142	146	3,330	-	-	-	-	-
Change in fair value of interest rate swap	(274)	(262)	(53)	(589)	-	-	-	-	(589)
Increase (decrease) in unrestricted net assets	<u>\$ 27,160</u>	<u>\$ 20,313</u>	<u>\$ 5,143</u>	<u>\$ 55,946</u>	<u>\$ (3,603)</u>	<u>\$ (236)</u>	<u>\$ (332)</u>	<u>\$ -</u>	<u>\$ 51,775</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING STATEMENT OF OPERATIONS
Year-ended March 31, 2010
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP Ltd.	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
Gross patient revenue	\$ 484,338	\$ 248,580	\$ 74,469	\$ -	\$ 807,387	\$ 59,372	\$ -	\$ 8,673	\$ -	\$ 875,432
Contractual allowances	268,793	149,622	36,556	-	454,971	33,242	-	5,676	-	493,889
Net patient service revenue	215,545	98,958	37,913	-	352,416	26,130	-	2,997	-	381,543
Other operating revenue	1,276	210	148	654	2,288	1,146	4,284	-	(4,160)	3,558
Net assets released from restriction	-	-	-	196	196	-	-	-	-	196
Corporate allocation	540	221	89	(850)	-	-	-	-	-	-
Total revenue	217,361	99,389	38,150	-	354,900	27,276	4,284	2,997	(4,160)	385,297
Expenses:										
Salaries	52,166	29,896	11,520	17,379	110,961	16,252	-	800	-	128,013
Employee benefits	15,709	9,252	3,202	3,871	32,034	3,062	-	182	-	35,278
Patient chargeable supplies	28,894	4,384	818	-	34,096	38	-	-	-	34,134
Provision for (recovery of) bad debts	12,470	9,311	3,831	(28)	25,584	5,568	-	174	-	31,326
Depreciation	8,931	4,516	1,956	5,588	20,991	614	-	205	(19)	21,810
Purchased services	3,982	3,580	552	3,634	11,748	142	-	57	-	11,928
Physicians' fees	8,083	5,177	1,048	40	14,348	6,776	-	-	-	21,124
Professional fees	3,864	2,766	1,853	4,207	12,690	3,166	106	206	-	16,168
Patient nonchargeable supplies	6,707	2,770	699	3	10,179	139	-	-	-	10,318
Drugs and pharmaceuticals	3,140	4,172	519	-	7,831	885	-	862	-	9,578
Insurance	4,567	1,929	780	331	7,607	1,587	4,230	61	(3,849)	9,636
Repairs and maintenance	2,789	1,117	518	3,636	8,060	259	-	32	-	8,351
Interest and amortization	3,696	1,884	328	20	5,928	184	-	38	-	6,150
Non-cash interest (income) expense associated with interest rate swap contract	(3,116)	(1,503)	(212)	-	(4,831)	-	-	-	-	(4,831)
Other supplies and expense	4,150	1,685	559	237	6,631	270	-	46	-	6,947
Rent expense	1,015	508	330	521	2,374	547	-	149	(438)	2,632
Miscellaneous expense	6,086	2,713	763	3,168	12,730	(8,297)	57	49	146	4,685
Corporate allocation	27,055	11,078	4,474	(42,607)	-	-	-	-	-	-
Total expense	190,188	95,235	33,538	-	318,961	31,192	4,393	2,861	(4,160)	353,247
Income from operations	27,173	4,154	4,612	-	35,939	(3,916)	(109)	136	-	32,050

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES
CONSOLIDATING STATEMENT OF OPERATIONS
Year-ended March 31, 2010
(\$ in thousands)

	Memorial Hospital of Carbondale	Herrin Hospital	St. Joseph Memorial Hospital	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd.	Physicians' Surgery Center, LLC	Elimi- nations	Total
Nonoperating gains (losses)	\$ 425	\$ 84	\$ 63	\$ 15	\$ 587	\$ -	\$ -	\$ 3	\$ -	\$ 590
Unrestricted gifts and interest income	5,004	2,044	572	147	7,767	-	109	-	-	7,876
Investment income and net gains from board designated funds	1,325	713	-	-	2,038	-	-	-	-	2,038
Equity earning of joint venture	(61)	(56)	(10)	(182)	(309)	(56)	-	-	-	(365)
Other	(13)	(5)	(2)	20	-	-	-	-	-	-
Corporate allocation	6,680	2,780	623	-	10,083	(56)	109	3	-	10,139
Excess (deficiency) of revenues over expenses	33,853	6,934	5,235	-	46,002	(3,972)	-	139	-	42,189
Net (income) loss attributable to non-controlling interest	-	-	-	-	-	-	-	(62)	-	(62)
Excess (deficiency) of revenue over expenses attributable to parent company	33,853	6,934	5,235	-	46,002	(3,972)	-	77	-	42,127
Change in net unrealized gains on investments	21,641	9,293	1,138	747	32,819	-	202	-	-	33,021
Corporate allocation	493	202	82	(777)	-	-	-	-	-	-
Contributions	114	112	7	30	263	-	-	-	-	263
Contributions to affiliate	(1,055)	(11,579)	(1,178)	13,812	-	-	-	-	-	-
Change in fair value of interest rate swap	(692)	(663)	(134)	-	(1,489)	-	-	-	-	(1,489)
Increase (decrease) in unrestricted net assets	\$ 54,354	\$ 4,299	\$ 5,150	\$ 13,812	\$ 77,615	\$ (3,972)	\$ 202	\$ 77	\$ -	\$ 73,922

Additional Data

Software ID: 10000128
Software Version: v2010.1.0
EIN: 37-0618939
Name: SOUTHERN ILLINOIS HOSPITAL SERVICES

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			
JULIE FIRMAN VP/CNO	40			X				184,373	0	71,394
REX BUDDE PRESIDENT/CEO	35	X		X				409,888	0	208,901
MIKE KASSER VP/CFO	31			X				278,862	0	112,060
WILLIAM SHERWOOD VP/GENERAL COUNSEL	33			X				253,081	0	157,395
PHILIP SCHAEFER VP/AMBULATORY SERVICES	10			X				260,629	0	128,583
PAM HENDERSON VP/HR	36			X				194,524	0	71,770
DAVID HOLLAND VP/INFO SYSTEMS	32			X				211,423	0	94,123
JOHN B MILLSTEAD VP/ADMINISTRATOR	40			X				278,678	0	145,072
BECKY ASHTON VP/ADMINISTRATOR	40			X				251,394	0	92,080
SCOTT SEABORN VP/ADMINISTRATOR	40			X				218,190	0	105,951
GEORGE O'NEILL CHAIR	2	X		X				500	0	0
JEFFREY PARKS VICE CHAIR	2	X		X				835	0	0
PHIL NORDSTROM SECRETARY	2	X		X				800	0	0
HAROLD BARDO TRUSTEE	2	X						350	0	0
EUGENE BASANTA TRUSTEE	2	X						400	0	0
RUSSELL BROWN DO TRUSTEE	2	X						500	0	0
KATHLEEN FRALISH TRUSTEE	2	X						0	0	0
MORTON LEVINE TRUSTEE	2	X						0	0	0
MARSHA RYAN MD TRUSTEE	2	X						14,421	0	0
STEVE SABENS TRUSTEE	2	X						400	0	0
ANAD SALEM MD TRUSTEE	2	X						2,423	33,623	0
MARLENE SIMPSON TRUSTEE	2	X						600	0	0
JAMES MILLER MD CMO	30			X				432,110	0	42,140
CATHERINE PORTER CRNA	40					X		190,953	0	25,261
RICHARD BOREN CRNA	40					X		180,413	0	43,428

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			
BRIAN LANCE PHARMACIST	40					X		168,215	0	30,765
WILLIAM THORNE VP/COMMUNITY BENEFITS	36			X				155,972	0	81,094
THOMAS HENTIRCH PHARMACIST	40					X		169,003	0	39,478
NICOLE WILLIAMS PHARMACIST	40					X		158,542	0	14,248