

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

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

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

OMB No 1545-0047  
**2011**  
**Open to Public Inspection**

**A For the 2011 calendar year, or tax year beginning 04-01-2011 and ending 03-31-2012**

<b>B</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	<b>C</b> Name of organization SOUTHERN ILLINOIS HOSPITAL SERVICES <hr/> Doing Business As SOUTHERN ILLINOIS HEALTHCARE <hr/> Number and street (or P O box if mail is not delivered to street address) Room/suite PO BOX 3988 <hr/> City or town, state or country, and ZIP + 4 CARBONDALE, IL 629023988 <hr/> <b>F</b> Name and address of principal officer REX BUDDE PO BOX 3988 CARBONDALE, IL 629023988	<b>D</b> Employer identification number 37-0618939 <hr/> <b>E</b> Telephone number (618) 457-5200 <hr/> <b>G</b> Gross receipts \$ 609,209,136 <hr/> <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
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**I** Tax-exempt status:  501(c)(3)  501(c) ( ) (insert no )  4947(a)(1) or  527

**J Website:** WWW.SIH.NET

**K** Form of organization:  Corporation  Trust  Association  Other ▶ **L** Year of formation: 1946 **M** State of legal domicile: IL

**Part I Summary**

<b>Activities &amp; Governance</b>	<p><b>1</b> 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 "</p> <hr/> <p><b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</p> <p><b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . . <b>3</b> 13</p> <p><b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . . <b>4</b> 9</p> <p><b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . . <b>5</b> 3,084</p> <p><b>6</b> Total number of volunteers (estimate if necessary) . . . . . <b>6</b> 532</p> <p><b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . . <b>7a</b> 521,599</p> <p><b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . . <b>7b</b> -239,648</p>		
<b>Revenue</b>		<b>Prior Year</b>	<b>Current Year</b>
<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .		1,337,683	1,068,541
<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .		360,779,581	343,588,590
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .		23,185,750	10,335,865
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		2,432,597	2,696,843
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .		387,735,611	357,689,839
<b>Expenses</b>			
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .		310,528	288,044
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0	0
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		153,920,954	156,740,524
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0	0
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 227,213			
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .		188,886,921	177,757,336
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		343,118,403	334,785,904
<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .		44,617,208	22,903,935
<b>Net Assets or Fund Balances</b>		<b>Beginning of Current Year</b>	<b>End of Year</b>
<b>20</b> Total assets (Part X, line 16) . . . . .		553,602,831	550,969,833
<b>21</b> Total liabilities (Part X, line 26) . . . . .		194,999,641	203,532,309
<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .		358,603,190	347,437,524

**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.

<b>Sign Here</b>	***** Signature of officer	2013-01-31 Date
	MIKE KASSER CFO Type or print name and title	

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

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

**Part III Statement of Program Service Accomplishments**

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

**1** Briefly describe the organization's mission

SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS DEDICATED TO PROMOTING THE HEALTH AND WELL BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERVE 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 organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ 279,822,974 including grants of \$ ) (Revenue \$ 344,498,441 )  
 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 \$ 1,171,444 including grants of \$ 288,044 ) (Revenue \$ )  
 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 \$ 186,263 including grants of \$ ) (Revenue \$ )  
 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** \$ 281,180,681

**Part IV Checklist of Required Schedules**

		Yes	No
<b>1</b>	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	
<b>2</b>	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b>	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
<b>4</b>	<b>Section 501(c)(3) organizations.</b> 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	
<b>5</b>	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>		
<b>6</b>	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
<b>7</b>	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
<b>8</b>	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
<b>9</b>	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
<b>10</b>	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>		No
<b>11</b>	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		
<b>a</b>	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>b</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
<b>c</b>	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
<b>d</b>	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
<b>e</b>	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	
<b>f</b>	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	
<b>12a</b>	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>b</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	
<b>13</b>	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
<b>14a</b>	Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b>	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i> <input checked="" type="checkbox"/>	Yes	
<b>15</b>	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
<b>16</b>	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
<b>17</b>	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
<b>18</b>	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	
<b>19</b>	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
<b>20a</b>	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> <input checked="" type="checkbox"/>	Yes	
<b>b</b>	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements. <input checked="" type="checkbox"/>	Yes	

**Part IV Checklist of Required Schedules** (continued)

<b>21</b>	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> . . . . .	<b>21</b>	Yes	
<b>22</b>	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> . . . . .	<b>22</b>		No
<b>23</b>	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> . . . . .	<b>23</b>	Yes	
<b>24a</b>	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	<b>24a</b>	Yes	
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		No
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		No
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		No
<b>25a</b>	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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> . . . . .	<b>25a</b>		No
<b>b</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> . . . . .	<b>25b</b>		No
<b>26</b>	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> . . . . .	<b>26</b>		No
<b>27</b>	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> . . . . .	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>	Yes	
<b>c</b>	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28c</b>		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>29</b>		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b>	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> . . . . .	<b>32</b>		No
<b>33</b>	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> . . . . .	<b>33</b>	Yes	
<b>34</b>	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> . . . . .	<b>34</b>	Yes	
<b>35a</b>	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	<b>35a</b>	Yes	
<b>b</b>	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>35b</b>	Yes	
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>		No
<b>37</b>	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> . . . . .	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	Yes	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 328		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return. 3,084		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	Yes	
<b>b</b>	If "Yes," enter the name of the foreign country <input type="checkbox"/> CJ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year. 7d		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12.		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders.		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.		
<b>13b</b>	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
<b>13c</b>	Enter the aggregate amount of reserves on hand.		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		No
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (13), 1b (9), 2 (Yes), 3 (No), 4 (No), 5 (No), 6 (Yes), 7a (Yes), 7b (Yes), 8a (Yes), 8b (Yes), 9 (No).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (No), 10b, 11a (Yes), 11b, 12a (Yes), 12b (Yes), 12c (Yes), 13 (Yes), 14 (Yes), 15a (Yes), 15b (Yes), 16a (Yes), 16b (Yes).

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed IL
18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. MIKE KASSER, 1239 EAST MAIN STREET, CARBONDALE, IL 62901, (618) 457-5200

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

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

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

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

• List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							4,820,679	402,881	1,706,655	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **91**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
<b>4</b> 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	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
BRIGHAM ANESTHESIA SOUTH LLC 35 ALBANY ROAD SUITE C CARBONDALE, IL 629037605	MEDICAL AND HEALTHCARE PAYMENTS	3,428,167
MEDICAL STAFFING NETWORK PO BOX 844774 DALLAS, TX 752844774	MEDICAL AND HEALTHCARE PAYMENTS	2,808,080
LABORATORY CORP OF AMERICA PO BOX 12140 BURLINGTON, NC 272162140	MEDICAL AND HEALTHCARE PAYMENTS	1,220,796
MIDWEST REGIONAL NEONATOLOGY 1809 WEST MAIN CARBONDALE, IL 62901	MEDICAL AND HEALTHCARE PAYMENTS	969,762
CLAIMASSIST PO BOX 464 NEEDHAM, MA 02459	COLLECTIONS	942,851

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **33**



**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		
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>	0					
	<b>b</b>	Membership dues . . . . . <b>1b</b>	0					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>	76,454					
	<b>d</b>	Related organizations . . . . . <b>1d</b>	0					
	<b>e</b>	Government grants (contributions) <b>1e</b>	463,835					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	528,252					
	<b>g</b>	Noncash contributions included in lines 1a-1f \$ <u>8,905</u>						
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . <b>▶</b>	1,068,541					
<b>Program Service Revenue</b>			Business Code					
	<b>2a</b>	PATIENT REVENUE	622110	341,876,733	341,876,733	0	0	
	<b>b</b>	PARTNERSHIP INCOME	900099	1,612,752	1,612,752	0	0	
	<b>c</b>	LEASEHOLD REVENUE FROM RELATED ORGANIZATIONS	531120	99,105	99,105	0	0	
	<b>d</b>							
	<b>e</b>							
	<b>f</b>	All other program service revenue		0	0	0	0	
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . <b>▶</b>		343,588,590					
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest and other similar amounts) . . . . . <b>▶</b>		9,264,957	0	0	9,264,957	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . <b>▶</b>		0				
	<b>5</b>	Royalties . . . . . <b>▶</b>		0				
	<b>6a</b>	Gross rents	(i) Real	639,785				
			(ii) Personal					
			<b>b</b>	Less rental expenses	607,796			
			<b>c</b>	Rental income or (loss)	31,989	0		
	<b>d</b>	<b>Net rental income or (loss)</b> . . . . . <b>▶</b>		31,989	0	0	31,989	
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities	251,885,998	39,337			
			(ii) Other		247,746			
			<b>b</b>	Less cost or other basis and sales expenses	250,606,681			
			<b>c</b>	Gain or (loss)	1,279,317	-208,409		
	<b>d</b>	<b>Net gain or (loss)</b> . . . . . <b>▶</b>		1,070,908	0	0	1,070,908	
	<b>8a</b>	Gross income from fundraising events (not including \$ <u>76,454</u> of contributions reported on line 1c) See Part IV, line 18 . . . . . <b>a</b>						
	<b>b</b>	Less direct expenses . . . . . <b>b</b>		29,594				
	<b>c</b>	<b>Net income or (loss) from fundraising events</b> . . . <b>▶</b>		57,074				
	<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . . <b>a</b>						
<b>b</b>	Less direct expenses . . . . . <b>b</b>		1,125					
<b>c</b>	<b>Net income or (loss) from gaming activities</b> . . . <b>▶</b>		1,125	0	0	1,125		
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . . <b>a</b>							
		<b>b</b>	Less cost of goods sold . . . . . <b>b</b>					
		<b>c</b>	<b>Net income or (loss) from sales of inventory</b> . . . <b>▶</b>		0			
Miscellaneous Revenue		Business Code						
<b>11a</b>	CAFETERIA/VENDING/HOSPITAL AUXILIARY	900099	1,707,326	447,567	0	1,259,759		
<b>b</b>	MEDICAL RECORDS/X-RAY/INTERNET PHYSICIANS	621300	513,160	180,187	332,973	0		
<b>c</b>	REFERENCE LAB	621500	186,526	0	186,526	0		
<b>d</b>	All other revenue . . . . .		284,197	282,097	2,100	0		
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . <b>▶</b>		2,691,209					
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . . <b>▶</b>		357,689,839	344,498,441	521,599	11,601,258		

**Part IX Statement of Functional Expenses**

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

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

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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	285,249	285,249		
<b>2</b>	Grants and other assistance to individuals in the United States See Part IV, line 22	2,795	2,795		
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
<b>4</b>	Benefits paid to or for members	0			
<b>5</b>	Compensation of current officers, directors, trustees, and key employees	5,399,438	732,644	4,666,794	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	33,262	33,262		
<b>7</b>	Other salaries and wages	114,368,020	96,145,196	18,083,678	139,146
<b>8</b>	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,671,434	2,103,521	565,288	2,625
<b>9</b>	Other employee benefits	25,816,540	23,141,041	2,637,854	37,645
<b>10</b>	Payroll taxes	8,451,830	7,015,759	1,425,084	10,987
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management	0			
<b>b</b>	Legal	667,086	264,308	402,778	
<b>c</b>	Accounting	159,863		159,863	
<b>d</b>	Lobbying	76,093		76,093	
<b>e</b>	Professional fundraising See Part IV, line 17	0			
<b>f</b>	Investment management fees	477,791		477,791	
<b>g</b>	Other	41,884,545	33,922,323	7,962,222	
<b>12</b>	Advertising and promotion	1,065,320	43,364	1,021,766	190
<b>13</b>	Office expenses	8,259,965	7,386,471	836,874	36,620
<b>14</b>	Information technology	4,777,482	1,053	4,776,429	
<b>15</b>	Royalties	0			
<b>16</b>	Occupancy	6,082,559	5,204,655	877,904	
<b>17</b>	Travel	592,265	356,576	235,689	
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
<b>19</b>	Conferences, conventions, and meetings	873,843	474,358	399,485	
<b>20</b>	Interest	7,281,243	7,246,222	35,021	
<b>21</b>	Payments to affiliates	0			
<b>22</b>	Depreciation, depletion, and amortization	24,555,208	17,182,499	7,372,709	
<b>23</b>	Insurance	7,401,625	7,136,980	264,645	
<b>24</b>	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 )				
<b>a</b>	MEDICAL SUPPLIES	61,043,022	61,043,022		
<b>b</b>	PROVIDER TAX	5,854,765	5,854,765		
<b>c</b>	EQUIPMENT RENTAL	5,065,961	4,544,121	521,840	
<b>d</b>	HOSPITAL AUXILIARY	378,154	378,154		
<b>e</b>					
<b>f</b>	All other expenses	1,260,546	682,343	578,203	0
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24f	334,785,904	281,180,681	53,378,010	227,213
<b>26</b>	<b>Joint costs.</b> 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
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	6,147	<b>1</b>	6,447
	<b>2</b> Savings and temporary cash investments . . . . .	8,783,975	<b>2</b>	4,966,236
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	64,261,528	<b>4</b>	77,150,828
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .	1,060,801	<b>7</b>	1,319,798
	<b>8</b> Inventories for sale or use . . . . .	6,983,120	<b>8</b>	6,238,647
	<b>9</b> Prepaid expenses and deferred charges . . . . .	4,010,202	<b>9</b>	4,618,976
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	350,727,544		
	<b>b</b> Less accumulated depreciation . . . . .	188,923,932	162,577,854	<b>10c</b> 161,803,612
	<b>11</b> Investments—publicly traded securities . . . . .	280,500,142	<b>11</b>	278,002,054
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	3,147,797	<b>12</b>	3,283,090
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	0	<b>13</b>	0
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .	22,271,265	<b>15</b>	13,580,145
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	553,602,831	<b>16</b>	550,969,833	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	37,681,942	<b>17</b>	38,279,251
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .	138,345,000	<b>20</b>	134,407,000
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .	18,972,699	<b>25</b>	30,846,058
<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	194,999,641	<b>26</b>	203,532,309	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	358,055,578	<b>27</b>	346,929,346
	<b>28</b> Temporarily restricted net assets . . . . .	547,612	<b>28</b>	508,178
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	358,603,190	<b>33</b>	347,437,524	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	553,602,831	<b>34</b>	550,969,833	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	357,689,839
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	334,785,904
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	22,903,935
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	358,603,190
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	-34,069,601
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	347,437,524

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	Yes	
<b>c</b>	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	
<b>d</b>	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		
<b>3a</b>	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>b</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)

**Public Charity Status and Public Support**

**2011**

**Open to Public Inspection**

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
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 **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
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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	
<b>Total</b>									

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (See instructions)					<b>12</b>	

**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**

<b>14</b> Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	<b>14</b>	
<b>15</b> Public Support Percentage for 2010 Schedule A, Part II, line 14	<b>15</b>	

**16a 33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

**b 33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

**17a 10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization

**b 10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization

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

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12.)						
<b>14 First Five Years</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

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

**Section D. Computation of Investment Income Percentage**

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

- 19a 33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

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

<b>Facts And Circumstances Test</b>
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<b>Explanation</b>
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SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

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

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

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

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

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

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

Name of the organization 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 on behalf of or in opposition to candidates for public office in Part IV
2 Political expenditures
3 Volunteer hours

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

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

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

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

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

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

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

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

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> 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
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		76,093
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		62,628
<b>j</b> Total lines 1c through 1i			138,721
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	<b>1</b>	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>2</b>	
<b>3</b> Did the organization agree to carryover lobbying and political expenditures from the prior year?	<b>3</b>	

**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".**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) non-deductible lobbying and political expenditures ( <b>do not include amounts of political expenses for which the section 527(f) tax was paid</b> ).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> 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?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**Part IV Supplemental Information**

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

Identifier	Return Reference	Explanation
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	A PORTION OF DUES PAID TO THE ILLINOIS HOSPITAL ASSOCIATION IS USED FOR LOBBYING BY THAT ASSOCIATION IN THE AMOUNT OF \$62,628
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

2011

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization 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 importantly land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> 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
<b>1a</b> Beginning of year balance . . . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Investment earnings or losses . . . . .					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> 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
<b>(i)</b> unrelated organizations . . . . .	<b>3a(i)</b>	
<b>(ii)</b> related organizations . . . . .	<b>3a(ii)</b>	
<b>b</b> If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .	<b>3b</b>	

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		8,410,465		8,410,465
<b>b</b> Buildings . . . . .		103,983,165	48,844,022	55,139,143
<b>c</b> Leasehold improvements . . . . .		11,643,474	7,841,424	3,802,050
<b>d</b> Equipment . . . . .		222,612,671	132,238,486	90,374,185
<b>e</b> Other . . . . .		4,077,769		4,077,769
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				161,803,612

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

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 13) ▶		

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

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

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

1	(a) Description of Liability	(b) Amount
	Federal Income Taxes	0
	ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	11,325,328
	ACCRUED BOND INTEREST	548,300
	MEDICAL PROFESSIONAL LIABILITY	3,820,442
	ASBESTOS LIABILITY	340,475
	LONG TERM EXECUTIVE RETIREMENT PLAN	251,427
	EMPLOYEES HELPING EMPLOYEES FUNDS	43,335
	DUE TO AFFILIATE - RIC	222,449
	INTEREST RATE SWAP CONTRACT	14,291,047
	DUE TO AFFILIATE - SIHF	3,255
	<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	30,846,058

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

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

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	357,689,839
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	334,785,904
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	22,903,935
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	-5,595,468
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	-8,565,593
<b>9</b>	Total adjustments (net) Add lines 4 - 8	<b>9</b>	-14,161,061
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	<b>10</b>	8,742,874

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	348,083,392
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV) . . . . .	<b>2d</b>	664,870
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	664,870
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	347,418,522
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	477,791
<b>b</b>	Other (Describe in Part XIV) . . . . .	<b>4b</b>	9,793,526
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	10,271,317
<b>5</b>	Total Revenue Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	357,689,839

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

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	339,340,518
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV) . . . . .	<b>2d</b>	5,410,559
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	5,410,559
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	333,929,959
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	477,791
<b>b</b>	Other (Describe in Part XIV) . . . . .	<b>4b</b>	378,154
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	855,945
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	334,785,904

**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 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, 2012 AND 2011, NO TAX WAS DUE RELATED TO THESE OPERATIONS 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, 2012 AND 2011 THE CORPORATION DOES NOT EXPECT THE TOTAL AMOUNT OF UNRECOGNIZED TAX BENEFITS TO SIGNIFICANTLY CHANGE IN THE NEXT 12 MONTHS THE CORPORATION 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, 2008 AND PRIOR

## Additional Data

**Software ID:** 11000230  
**Software Version:** v2011.1.0  
**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	11,325,328
ACCRUED BOND INTEREST	548,300
MEDICAL PROFESSIONAL LIABILITY	3,820,442
ASBESTOS LIABILITY	340,475
LONG TERM EXECUTIVE RETIREMENT PLAN	251,427
EMPLOYEES HELPING EMPLOYEES FUNDS	43,335
DUE TO AFFILIATE - RIC	222,449
INTEREST RATE SWAP CONTRACT	14,291,047
DUE TO AFFILIATE - SIHF	3,255



**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No 1545-0047

**2011**

**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 )

(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.g., fundraising, program services, investments, grants to recipients located in the region)	(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
CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENTS		120,000
<b>3a</b> Sub-total					
<b>b</b> Total from continuation sheets to Part I					
<b>c Totals</b> (add lines 3a and 3b)	0	0			120,000

**Part II** **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000 . . . . .   
 Use Part V if additional space is needed.

<b>1</b> <b>(a)</b> Name of organization	<b>(b)</b> IRS code section and EIN (if applicable)	<b>(c)</b> Region	<b>(d)</b> Purpose of grant	<b>(e)</b> Amount of cash grant	<b>(f)</b> Manner of cash disbursement	<b>(g)</b> Amount of non-cash assistance	<b>(h)</b> Description of non-cash assistance	<b>(i)</b> Method of valuation (book, FMV, appraisal, other)

**2** Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . .  \_\_\_\_\_

**3** Enter total number of other organizations or entities . . . . .  \_\_\_\_\_

**Part III** **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Use Part V if additional space is needed.

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

**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

2011

Open to Public Inspection

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

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 (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

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

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions? (Yes/No), (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization. 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 GOLF TOURNAMENT</u>	_____	_____	(Add col (a) through col (c))
		(event type)	(event type)	(total number)	
<b>Revenue</b>	<b>1</b> Gross receipts . . . . .	106,048			106,048
	<b>2</b> Less Charitable contributions . . . . .	76,454			76,454
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	29,594	0	0	29,594
<b>Direct Expenses</b>	<b>4</b> Cash prizes . . . . .	10,400			10,400
	<b>5</b> Non-cash prizes . . . . .	255			255
	<b>6</b> Rent/facility costs . . . . .	24,288			24,288
	<b>7</b> Food and beverages . . . . .	9,176			9,176
	<b>8</b> Entertainment . . . . .	0			0
	<b>9</b> Other direct expenses . . . . .	12,955			12,955
	<b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				( 57,074 )
<b>11</b> Net income summary Combine lines 3 and 10 in column (d) . . . . . ▶				-27,480	

**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))
<b>Revenue</b>	<b>1</b> Gross revenue . . . . .				
<b>Direct Expenses</b>	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Non-cash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
<b>6</b> 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		
<b>7</b> Direct expense summary Add lines 2 through 5 in column (d) . . . . . ▶				( )	
<b>8</b> 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

<b>a</b> The organization's facility	<b>13a</b>
<b>b</b> An outside facility	<b>13b</b>

**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

2011

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 Charity Care and Certain Other Community Benefits at Cost

1a Did the organization have a charity care policy? 1b If "Yes," is it a written policy? 2 If the organization had multiple hospitals... 3 Answer the following based on the charity care eligibility criteria... 4 Did the organization's policy provide free or discounted care to the "medically indigent"? 5a Did the organization budget amounts for free or discounted care... 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Charity Care and Certain Other Community Benefits at Cost

Table with 6 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 Charity Care and Means-Tested Government Programs and Other Benefits.

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities.

	(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			112,606		112,606	0.030 %
7 Community health improvement advocacy			440,210		440,210	0.130 %
8 Workforce development					0	0 %
9 Other					0	0 %
10 Total	0	0	552,816	0	552,816	0.170 %

**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		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy		
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	121,901,883
6	Enter Medicare allowable costs of care relating to payments on line 5	6	127,819,921
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-5,918,038
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	Did the organization have a written debt collection policy during the tax year?	9a	Yes
9b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b	Yes

**Part IV Management Companies and Joint Ventures** (see instructions)

(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 PHYSICIAN'S SURGERY CENTER	SURGERY CENTER	55 %	2 %	41 %
2 SOUTHERN ILLINOIS ORTHOPEDICS CENTER	MEDICINE	34 %	0 %	66 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Part V Facility Information**

**Section A. Hospital Facilities**

(list in order of size 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:** \_\_\_\_\_**Line Number of Hospital Facility (from Schedule H, Part V, Section A):** \_\_\_\_\_

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for 2011)		
<b>1</b> 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)	<b>1</b>	
<b>a</b> <input type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input type="checkbox"/> Demographics of the community		
<b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input type="checkbox"/> How data was obtained		
<b>e</b> <input type="checkbox"/> The health needs of the community		
<b>f</b> <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
<b>h</b> <input type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
<b>3</b> 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	<b>3</b>	
<b>4</b> 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 . . . . .	<b>4</b>	
<b>5</b> 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)	<b>5</b>	
<b>a</b> <input type="checkbox"/> Hospital facility's website		
<b>b</b> <input type="checkbox"/> Available upon request from the hospital facility		
<b>c</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
<b>a</b> <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
<b>b</b> <input type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
<b>d</b> <input type="checkbox"/> Participation in community-wide community benefit plan		
<b>e</b> <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input type="checkbox"/> Prioritization of health needs in the community		
<b>h</b> <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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	<b>7</b>	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
<b>8</b> Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>8</b>	
<b>9</b> Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	<b>9</b>	

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

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

**Billing and Collections**

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

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

**Policy Relating to Emergency Medical Care**

**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 why

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>		

**Individuals Eligible for Financial Assistance**

**19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  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 FAP-eligible patients an amount equal to the gross charge for services provided to that patient?

. . . . .

If "Yes," explain in Part VI

<b>20</b>		
<b>21</b>		

**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 from largest to smallest)How many non-hospital facilities did the organization operate during the tax year? 17

Name and address	Type of Facility (Describe)
1 See Additional Data Table	
2	
3	
4	
5	
6	
7	
8	
9	
10	

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	PART I, LINE 7	THE ORGANIZATION IS REQUIRED FOR GAAP TO RECORD BAD DEBT EXPENSE AS A CONTRA-REVENUE ACCOUNT THEREFORE ON THE TAX RETURN THE BAD DEBT EXPENSE IS INCLUDED IN PART VIII AND NOT PART IX OF THE CORE FORM 990 THEREFORE THERE IS NO BAD DEBT EXPENSE TO REMOVE FROM TOTAL EXPENSES FOR PURPOSES OF CALCULATING CHARITY CARE AND COMMUNITY BENEFIT PERCENTAGES



Identifier	ReturnReference	Explanation
Costing Methodology used to calculate financial assistance	Schedule H, Part I, Line 7	<p>THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED VARY ACCORDING TO THE INFORMATION REQUESTED AND THE MOST ACCURATE MEANS OF GATHERING THE REQUIRED INFORMATION THE IRS PROVIDED WORKSHEET NUMBER 2 WAS USED TO CALCULATE A COST TO CHARGE RATIO USING INFORMATION FROM THE ORGANIZATION'S GENERAL LEDGER AND COST REPORTS THAT RATIO WAS THEN USED IN CONJUNCTION WITH IRS WORKSHEET NUMBER 1 TO CALCULATE THE COST OF CHARITY CARE PROVIDED THE ORGANIZATION'S COST ACCOUNTING SOFTWARE WAS UTILIZED FOR REPORTING THE UNREIMBURSED MEDICAID AMOUNTS AND A PORTION OF THE SUBSIDIZED HEALTH SERVICES THE ORGANIZATION'S COST ACCOUNTING SOFTWARE ENCOMPASSES ALL PATIENT TYPES, SERVICES, AND PAYERS THE COST ASSOCIATED WITH A SERVICE ARE REVIEWED AND UPDATED ANNUALLY TO PROVIDE THE MOST ACCURATE COST POSSIBLE BOTH DIRECT AND INDIRECT COSTS ARE CONSIDERED WHEN ENTERED INTO THE SYSTEM ACTUAL COST OF HEALTH IMPROVEMENT AND COMMUNITY BENEFIT PROGRAMS, HEALTH EDUCATION, RESEARCH PROGRAMS, SOME SUBSIDIZED HEALTH SERVICES AND DONATIONS ARE STATED AT ACTUAL COST THE COSTS OF THESE ITEMS ARE TRACKED THROUGH THE GENERAL LEDGER PROCESS AND THROUGH OTHER ACCOUNTING SOFTWARE</p>

Identifier	ReturnReference	Explanation
Bad Debt Expense excluded from financial assistance calculation	Schedule H, Part I, Line 7, column(f)	0

Identifier	ReturnReference	Explanation
Subsidized Health Services	Schedule H, Part I, Line 7g	A FAMILY PRACTICE CENTER IS INCLUDED IN SUBSIDIZED HEALTH SERVICES THE COST OF PROVIDING THIS CENTER WAS \$426,225

Identifier	ReturnReference	Explanation
Community Building Activities	Schedule H, Part II	<p>THROUGH COMMUNITY BUILDING ACTIVITIES, SOUTHERN ILLINOIS HOSPITAL SERVICES ADDRESSES THE CAUSES OF HEALTH PROBLEMS THROUGH PROGRAMS THAT ADVOCATE FOR COMMUNITY HEALTH IMPROVEMENTS THESE PROGRAMS INCLUDE 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 WITHIN THE COMMUNITIES SERVED BY SIH HOSPITALS DEPARTMENT STAFF WORKS 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 IN FY12 AN INCREASED FOCUS OF THESE ACTIVITIES WILL BE DIRECTED TO INITIATIVE ADDRESSING CARDIOVASCULAR DISEASE AND CANCER, THE DEVELOPMENT OF STRATEGIES, PROGRAMMING, AND INTERVENTIONS TO REDUCE METHAMPHETAMINE USAGE, AND THE CONTINUATION OF EFFORTS TO EXPAND ACCESS TO CARE FOR THE UNINSURED AND UNDER-SERVED SIH IS ACTIVE IN TWO HEALTHY COMMUNITIES COALITIONS IN LOCAL COUNTIES THESE COALITIONS ARE COMPRISED OF HEALTH PROVIDERS, SOCIAL SERVICE AGENCIES, CITIZENS AND OTHER INTERESTED COMMUNITY GROUPS COORDINATED SCHOOL HEALTH - "HEALTHY STUDENTS-READY TO LEARN" - THROUGH THE COORDINATED SCHOOL HEALTH PROGRAM, THE PARTNERS IN HEALTH TEAM WORKS WITH SCHOOL DISTRICTS TO ENSURE THAT THE LEARNING ENVIRONMENT IS STRUCTURALLY SAFE AS WELL AS FREE FROM FEAR POLICIES, SCHOOL SAFETY PLANS AND LESSONS FOCUSING ON VIOLENCE PREVENTION CONTRIBUTE TO A SAFE SCHOOL ENVIRONMENT COMPREHENSIVE, SKILL-BASED HEALTH EDUCATION, PHYSICAL EDUCATION IN SCHOOL THAT EMPHASIZES IMPROVED FITNESS, THE DEVELOPMENT OF A LIFELONG INTEREST IN HEALTH AND WELLNESS, AND DEVELOPING EXPANDED AND SUSTAINABLE HEALTH SERVICES IN SCHOOLS ARE FOCUS AREAS OF THIS PROGRAM THIS "PARTNERS IN HEALTH" INITIATIVE NOW INVOLVES 41 SCHOOLS, 21,000 STUDENTS AND 1,100 FACULTY AND STAFF THE COMPONENTS OF A COORDINATED SCHOOL HEALTH PROGRAM INCLUDE HEALTH INSTRUCTION, PHYSICAL EDUCATION, HEALTH SERVICES, NUTRITION SERVICES, DEVELOPMENT OF A HEALTHY SCHOOL ENVIRONMENT, HEALTH PROMOTION FOR STAFF, PSYCHOLOGICAL AND SOCIAL SERVICES, AND FAMILY/COMMUNITY INVOLVEMENT IN ADDITION TO THE PARTNERS IN HEALTH, SOUTHERN ILLINOIS HOSPITAL SERVICES IS WORKING COLLABORATIVELY TO ESTABLISH SCHOOL-BASED HEALTH CENTERS IN THE COMMUNITIES OF CARBONDALE, MARION, WEST FRANKFORT, AND BENTON THIS IS A COLLABORATION OF MULTIPLE COMMUNITY PARTNERS WHOSE GOAL IS TO ALLEVIATE THE OVERALL HEALTH DISPARITIES BETWEEN CHILDREN THAT RECEIVE REGULAR PRIMARY CARE, SCREENINGS AND SPECIALIZED SERVICES AND THOSE WHO DO NOT EXPERIENCE SUCH CARE BY OFFERING HEALTH SERVICES FOR CHILDREN IN SCHOOL SETTINGS, IMPROVED COORDINATION OF CARE WITH PRIMARY PHYSICIANS WILL BE ENHANCED, CHRONIC CONDITIONS CAN BE BETTER MANAGED, AND ACCESS WILL BE INCREASED TO THOSE LACKING A PRIMARY CARE PROVIDER CURRENT EFFORTS INCLUDE PLANNED PARTNERSHIPS BETWEEN THE SCHOOLS AND WOULD INVOLVE MULTIPLE COLLABORATIVE ENTITIES SUCH AS COMMUNITY HEALTH CENTERS, COMMUNITY MENTAL HEALTH AGENCIES, LOCAL HEALTH DEPARTMENTS, RURAL HEALTH CLINICS AND SIH COMMUNITY BENEFITS PATIENT SUPPORT INITIATIVE - SOUTHERN ILLINOIS HOSPITAL SERVICES PROVIDES A PATIENT SUPPORT INITIATIVE (PSI) WITH THE GOAL OF PROVIDING PATIENTS WITH ADEQUATE CARE AND COMPENSATING PHYSICIANS AT REASONABLE RATES FOR PATIENTS THAT DO NOT HAVE RESOURCES AVAILABLE TO PAY THEIR HEALTH CARE BILLS SIHS COMPENSATES PHYSICIANS FOR THE CARE OF PATIENTS THAT ENTER THE HEALTHCARE SYSTEM VIA THE EMERGENCY DEPARTMENTS AT SIHS FACILITIES AND ARE ASSIGNED TO PHYSICIANS BASED UPON THE ON-CALL ROTATION COVERAGE PSI IS DESIGNED FOR PHYSICIAN/PATIENT CONTACT THAT OCCURS IN A HOSPITAL BASED SETTING WHEN THERE WAS NO PREVIOUS RELATIONSHIP BETWEEN THE PATIENT AND THE PHYSICIAN OR THE PHYSICIAN'S PRACTICE PSI PAYS COMPENSATION FOR PROFESSIONAL FEES ONLY, RELATING DIRECTLY TO THE EPISODE OF CARE BEGUN IN THE EMERGENCY DEPARTMENT, NOT TO EXCEED 30 DAYS INDIGENT CARE FUNDING - SOUTHERN ILLINOIS HOSPITAL SERVICES PROVIDES FUNDING TO PURCHASE PRESCRIPTIONS, MEDICAL SUPPLIES AND TRANSPORTATION TO PATIENTS DEEMED FINANCIALLY INDIGENT ON A CASE-BY CASE BASIS</p>

Identifier	ReturnReference	Explanation
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	<p>BAD DEBT EXPENSE FOOTNOTE IN FINANCIAL STATEMENTS "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 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 NONCOLLECTABLE RECOVERIES OF RECEIVABLES PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION OF BAD DEBT EXPENSE WHEN RECEIVED " COSTING METHODOLOGY OF BAD DEBT EXPENSE THE COST TO CHARGE RATIO IS CALCULATED UTILIZING WORKSHEET 2 INCLUDED IN THE INTERNAL REVENUE SERVICE'S FORM 990 SCHEDULE H INSTRUCTIONS THIS COST TO CHARGE RATIO IS APPLIED TO THE CHARGES THAT ARE WRITTEN OFF PER THE ABOVE FOOTNOTE ABOVE COSTING METHODOLOGY TO ESTIMATE CHARITY CARE IN BAD DEBT EXPENSE TO ESTIMATE THE AMOUNT OF CARE THAT WAS WRITTEN OFF AS BAD DEBT EXPENSE THAT WOULD HAVE BEEN ELIGIBLE FOR CHARITY UNDER OUR POLICY THE FOLLOWING STEPS WERE TAKEN - THE NUMBER OF ENCOUNTERS BY COUNTY AT EACH OF OUR 3 FACILITIES WAS OBTAINED FROM OUR REGISTRATION SYSTEM THE PERCENTAGE OF PATIENTS FROM EACH COUNTY VARIES BY FACILITY DUE TO THE LOCATION OF THE FACILITY - THE AMOUNT OF BAD DEBT EXPENSE BY COUNTY AT EACH HOSPITAL WAS ESTIMATED BY APPLYING THE PERCENTAGES OBTAINED ABOVE TO THE AMOUNT OF TOTAL CHARGES WRITTEN OFF AT EACH FACILITY - THE POVERTY RATE OF EACH COUNTY WAS THEN APPLIED TO THESE ALLOCATED CHARGES TO ESTIMATE THE AMOUNT OF CHARGES THAT WOULD HAVE BEEN ELIGIBLE UNDER OUR CHARITY POLICY BASED ON POVERTY LEVEL GUIDELINES - THE COST TO CHARGE RATIO AS CALCULATED UTILIZING WORKSHEET 2 FROM THE SCHEDULE H INSTRUCTIONS WAS THEN USED TO DETERMINE THE COST OF THESE CHARGES</p>

Identifier	ReturnReference	Explanation
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	THE EXPENSES FROM THE AUDITED FINANCIAL STATEMENTS ARE ADJUSTED PER MEDICARE REGULATIONS OVERHEADS ARE ALLOCATED BASED ON THE STEP-DOWN METHOD BY USING MEDICARE APPROVED STATISTICS MEDICARE COSTS ARE DETERMINED BY MULTIPLYING THE DAYS OR CHARGES TIMES THE PER DIEM AMOUNT OR THE COST TO CHARGE RATIO APPLICABLE TO THE DEPARTMENT HOME OFFICE EXPENSES ARE ALLOCATED TO THE FACILITIES BASED ON THE HOME OFFICE COST REPORT STATISTICS USED ON THE HOME OFFICE COST REPORT ARE APPROVED BY THE MEDICARE INTERMEDIARY ONE HUNDRED PERCENT OF THE SHORTFALL OF MEDICARE ALLOWABLE COSTS OVER MEDICARE REVENUE IS CONSIDERED TO BE A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
Collection practices for patients eligible for financial assistance	Schedule H, Part III, Line 9b	<p>THE FOLLOWING IS INCLUDED IN OUR POLICY - PATIENT FAIR BILLING AND COLLECTIONS, POLICY # SY-PF-128 PURSUING COLLECTION ACTION SIH AND ITS AGENTS MAY PURSUE COLLECTION ACTION AGAINST AN UNINSURED PATIENT ONLY WHEN THE FOLLOWING CONDITIONS ARE MET A SIH HAS GIVEN THE UNINSURED PATIENT THE OPPORTUNITY TO 1) ASSESS THE ACCURACY OF THE BILL 2) APPLY FOR FINANCIAL ASSISTANCE IN ACCORDANCE WITH SIH'S HEALTHCARE ASSISTANCE POLICY (HAP) POLICY 3) AVAIL THEMSELVES OF A REASONABLE PAYMENT PLAN BASED UPON THEIR ACCOUNT(S) BALANCE OR UPON THE PATIENT'S AVAILABLE INCOME AND ASSETS, THE AMOUNT OWED AND ANY PRIOR PAYMENTS B IF THE UNINSURED PATIENT HAS INDICATED AN INABILITY TO PAY THE FULL AMOUNT OF THE DEBT IN ONE PAYMENT, SIH OR PMD WILL OFFER THE PATIENT A REASONABLE PAYMENT PLAN 1) SIH OR PMD MAY REQUIRE THE UNINSURED PATIENT TO PROVIDE REASONABLE VERIFICATION OF HIS OR HER INABILITY TO PAY THE FULL AMOUNT OF THE DEBT IN ONE PAYMENT C WHEN THE CIRCUMSTANCES OF THE UNINSURED PATIENT SUGGEST THE POTENTIAL FOR HAP ELIGIBILITY, THE UNINSURED PATIENT WILL BE GIVEN AT LEAST 60 DAYS FOLLOWING THE DATE OF DISCHARGE OR RECEIPT OF OUTPATIENT CARE TO SUBMIT A HAP APPLICATION D THE UNINSURED PATIENT HAS FAILED TO MAKE PAYMENTS IN ACCORDANCE WITH A REASONABLE PAYMENT PLAN PREVIOUSLY AGREED TO WITH SIH OR PMD E THE UNINSURED PATIENT INFORMS SIH THAT HE OR SHE HAS APPLIED FOR HEALTHCARE COVERAGE UNDER MEDICAID, KIDCARE OR OTHER GOVERNMENT SPONSORED HEALTHCARE PROGRAM (AND THERE IS A REASONABLE BASIS TO BELIEVE THE PATIENT WILL QUALIFY FOR SUCH PROGRAM) BUT THE PATIENT'S APPLICATION IS DENIED SIH WILL NOT REFER A BILL, OR PORTION THEREOF, TO A COLLECTION AGENCY OR ATTORNEY FOR COLLECTION ACTION AGAINST THE INSURED PATIENT, WITHOUT FIRST OFFERING THE PATIENT THE OPPORTUNITY TO REQUEST A REASONABLE PAYMENT PLAN FOR THE AMOUNT PERSONALLY OWED BY THE PATIENT A) THIS OPPORTUNITY IS AVAILABLE FOR THE 30 DAYS FOLLOWING THE INITIAL BILL DATE B) IF THE INSURED PATIENT REQUESTS A REASONABLE PAYMENT PLAN, BUT FAILS TO AGREE TO A PLAN WITHIN 30 DAYS OF THE REQUEST, SIH MAY PROCEED WITH COLLECTION ACTION AGAINST THE PATIENT NO COLLECTION AGENCY, LAW FIRM OR INDIVIDUAL MAY INITIATE LEGAL ACTION FOR NON-PAYMENT OF A HOSPITAL BILL AGAINST A PATIENT WITHOUT THE WRITTEN APPROVAL OF THE CFO OR CORPORATE DIRECTOR OF PFS WHO REASONABLY BELIEVES THE CONDITIONS FOR PURSUING COLLECTION HAVE BEEN MET SIH MAY ENGAGE AN OUTSIDE THIRD PARTY COLLECTION AGENCY, FIRM OR INDIVIDUAL TO MANAGE THE PROCESS OF IMPLEMENTING SIH'S FINANCIAL ASSISTANCE AND REASONABLE PAYMENT PLAN PROGRAMS AND POLICIES SO LONG AS SUCH AGENCY, FIRM OR INDIVIDUAL IS CONTRACTUALLY BOUND TO COMPLY WITH THE TERMS OF PUBLIC ACT 094-0885 (PATIENT FAIR BILLING ACT) COLLECTION LIMITATIONS SIH SHALL NOT PURSUE LEGAL ACTION FOR NON-PAYMENT OF A HOSPITAL BILL AGAINST UNINSURED PATIENTS WHO HAVE CLEARLY DEMONSTRATED THEY HAVE NEITHER SUFFICIENT INCOME NOR ASSETS TO MEET THEIR FINANCIAL OBLIGATIONS PROVIDED THE PATIENT HAS MET THEIR RESPONSIBILITIES AS LISTED BELOW A PATIENT RESPONSIBILITIES 1) TO RECEIVE THE PROTECTION AND BENEFITS OF THE PATIENT FAIR BILLING ACT, A PATIENT RESPONSIBLE FOR PAYING A HOSPITAL BILL MUST ACT REASONABLY AND COOPERATE IN GOOD FAITH WITH SIH BY PROVIDING SIH WITH ALL OF THE REASONABLY REQUESTED FINANCIAL AND OTHER RELEVANT INFORMATION AND DOCUMENTATION NEEDED TO DETERMINE THE PATIENT'S ELIGIBILITY UNDER HAP OR REASONABLE PAYMENT PLAN OPTIONS WITHIN 30 DAYS OF A REQUEST FOR SUCH INFORMATION 2) TO RECEIVE THE PROTECTION AND BENEFITS OF THE PATIENT FAIR BILLING ACT, A PATIENT RESPONSIBLE FOR PAYING A HOSPITAL BILL SHALL COMMUNICATE TO SIH ANY MATERIAL CHANGE IN THE PATIENT'S FINANCIAL SITUATION THAT MAY AFFECT THE PATIENT'S ABILITY TO ABIDE BY THE PROVISIONS OF AN AGREED UPON REASONABLE PAYMENT PLAN OR QUALIFICATION FOR HAP WITHIN 30 DAYS OF THE CHANGE</p>

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	PART V, SECTION B	SOUTHERN ILLINOIS HOSPITAL SERVICES IS CURRENTLY IN THE PROCESS OF REVISING THE POLICIES FOR EACH OF ITS HOSPITALS BASED ON THE GUIDANCE PROVIDED IN THE PROPOSED 501(R) REGULATIONS ISSUED IN JUNE OF 2012. THE RESPONSES TO PART V REFLECT THE CURRENT PRACTICES AND PROCEDURES IN PLACE AT EACH OF THE HOSPITAL FACILITIES REPORTED.



Identifier	ReturnReference	Explanation
Needs assessment	Schedule H, Part VI, Line 2	<p>THE ASSESSMENT OF COMMUNITY NEEDS IS AN ONGOING PROCESS SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) PERFORMS ASSESSMENT WORK TO DETERMINE NEEDS IN THE AREA OF ACCESS TO CARE SUBSTANTIAL DATA FOR OUR SERVICE AREA IS COLLECTED AND COMPILED RELATING TO COUNTY DEMOGRAPHICS, THE CURRENT LEADING CAUSES OF MORTALITY, ASSESSMENT OF RISK FACTORS REGARDING HEALTH STATUS, HEALTH CARE COVERAGE, AND HEALTH CARE UTILIZATION, AND CHILD POVERTY SIHS ALSO COLLABORATES WITH LOCAL HEALTH DEPARTMENTS SERVING THE SEVEN COUNTIES WITHIN THE SIH PRIMARY SERVICE AREA THE LOCAL HEALTH DEPARTMENTS ALSO CONDUCT NEEDS ASSESSMENTS RELATED TO HEALTH AND DETERMINE THEIR PRIORITY HEALTH PROBLEMS THIS INFORMATION IS CONSIDERED WHEN PRIORITIZING THE KEY HEALTH-RELATED NEEDS TO BE ADDRESSED IN OUR SERVICE AREA OUR COMMUNITY BENEFITS STAFF IS VERY INVOLVED IN FACILITATING THE LOCAL HEALTH DEPARTMENTS' ASSESSMENTS BY BEING INVOLVED WITH SUB-COMMITTEES AND PROVIDING DATA AND INPUT MANY DATA SOURCES ARE USED TO EXAMINE AND ASSESS COMMUNITY HEALTH STATUS DATA COLLECTED INCLUDES DEMOGRAPHIC INFORMATION, INFORMATION PERTAINING TO EDUCATION AND ECONOMICS, AND INFORMATION DETAILING THE HEALTH STATUS AND HEALTH BEHAVIORS OF THE RESIDENTS WITHIN THE SIH SERVICE AREA LOCAL, STATE, AND NATIONAL DATA SOURCES WERE USED TO GATHER INFORMATION DATA SETS ACCESSED INCLUDE - CENSUS - ILLINOIS PROJECT FOR LOCAL ASSESSMENT OF NEEDS/HEALTH PRIORITIES - IDPH - NATIONAL CENTER FOR HEALTH STATISTICS - MORTALITY - MORBIDITY - YEARS OF POTENTIAL LIFE LOST - YEARS OF HEALTHY LIFE - BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY - CDC/IDPH - YOUTH RISK BEHAVIOR SURVEILLANCE SURVEY - CDC/IDPH/LOCAL SURVEYS CONDUCTED - HEALTHY PEOPLE 2010, DATA 2010 - WONDERCDC GOV/, INCLUDES 2010 TARGETS SIHS ALSO USES THE ASSESSMENT TOOL, COMMUNITY NEED INDEX (CNI) THE GOAL IS TO IDENTIFY THE CORE DRIVERS OF HEALTH DISPARITIES IN OUR COMMUNITIES IN AN EFFORT TO PROVIDE A SCIENTIFIC TOOL TO ASSIST IN COMMUNITY BENEFIT PLANNING THE USE OF THE CNI DATA WILL VALIDATE LOCAL COMMUNITY NEEDS ASSESSMENTS, HIGHLIGHT COMMUNITIES WITH UNMET HEALTH NEEDS AND SUPPORT COMMUNITY BENEFIT INITIATIVES CNI DATA PROVIDES A TOOL TO QUANTIFY NEED, PRIORITIZE RESOURCE ALLOCATION AND A BASELINE TO MEASURE PROGRESS</p>

Identifier	ReturnReference	Explanation
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	<p>PATIENTS OF SIH FACILITIES WITH AN INABILITY TO PAY FOR THE SERVICES, OR WHO DEMONSTRATE THAT THEY DO NOT HAVE THE CAPACITY TO PAY THE ENTIRE BALANCE OWED FOR SERVICES RENDERED ARE PROVIDED AID THROUGH THE SIH HEALTHCARE ASSISTANCE PROGRAM (HAP) SIH BELIEVES THAT IT HAS A RESPONSIBILITY AND AN OBLIGATION TO MEET THE FINANCIAL NEEDS OF THE UNINSURED AND UNDER-INSURED PATIENTS IN THE COMMUNITIES IT SERVES THROUGH THE HEALTHCARE ASSISTANCE PROGRAM PATIENTS CAN APPLY FOR FINANCIAL ASSISTANCE UPON SUBMISSION OF THE REQUIRED INFORMATION PATIENTS THEN WORK WITH SIH FINANCIAL COUNSELORS OR DESIGNATED STAFF THAT UTILIZED ESTABLISHED CRITERIA TO DETERMINE THE INDIVIDUAL'S ELIGIBILITY FOR DISCOUNTED CHARGES SIH POLICY ALLOWS STAFF TO CLASSIFY AN INDIVIDUAL IN NEED OF ASSISTANCE AS EITHER FINANCIALLY INDIGENT OR MEDICALLY INDIGENT FINANCIALLY INDIGENT REFERS TO AN UNINSURED OR UNDER-INSURED PERSON WHO DOES NOT HAVE THE ABILITY TO PAY FOR SERVICES RENDERED SIH MAY CLASSIFY ALL PATIENTS WHOSE INCOME IS LESS THAN OR EQUAL TO 200% OF THE FEDERAL POVERTY GUIDELINES AS FINANCIALLY INDIGENT WHICH RESULTS IN 100% FINANCIAL ASSISTANCE PARTIAL FINANCIAL ASSISTANCE IS PROVIDED ON A SLIDING SCALE FOR THOSE PATIENTS WHOSE INCOME IS BETWEEN 2 AND 4 TIMES THE FEDERAL POVERTY GUIDELINES SIH UTILIZES THE FEDERAL POVERTY GUIDELINES PUBLISHED ANNUALLY BY THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES AN INDIVIDUAL WHO MEETS THE CRITERIA OF BEING MEDICALLY INDIGENT IS ONE WHOSE REMAINING HOSPITAL BILL(S), AFTER APPLICATION OF FINANCIALLY INDIGENT CRITERIA, EXCEEDS A SPECIFIED PERCENTAGE OF THE PATIENT'S ANNUAL INCOME AND WHO IS UNABLE TO PAY THE REMAINING BALANCE OF THE BILL(S) TO BE CONSIDERED FOR CLASSIFICATION AS A MEDICALLY INDIGENT PATIENT THE AMOUNT OWED AFTER APPLICATION OF THE FINANCIALLY INDIGENT ADJUSTMENT MUST EXCEED TWENTY FIVE (25) PERCENT OF THE PATIENT'S ANNUAL INCOME AND THE PATIENT MUST BE UNABLE TO PAY THEIR REMAINING BALANCE OF THEIR BILL(S) PATIENTS CLASSIFIED AS MEDICALLY INDIGENT WILL BE RESPONSIBLE FOR MEDICARE EXPECTED PAYMENT FURTHER REDUCED BY THE FINANCIALLY INDIGENT ADJUSTMENT PERCENTAGE PAYMENTS ARRANGEMENTS FOR MEDICALLY INDIGENT PATIENTS MAY ALSO BE ARRANGED THROUGH AN SIH FINANCIAL COUNSELOR FINALLY, SIH POLICY PROVIDES FOR THE ABILITY TO ASSIST PATIENTS THROUGH JUDGMENTAL HEALTH CARE ASSISTANCE SIH RESERVES THE RIGHT TO PROVIDE JUDGMENTAL HEALTH CARE ASSISTANCE IN THE FOLLOWING CIRCUMSTANCES A HOMELESS B RESIDENT OF SHELTER FACILITIES C RAPE VICTIM OR VICTIM OF VIOLENT CRIMES D DECEASED PATIENTS E LAWSUITS INITIATED BY HOSPITAL AND THERE ARE NO AVAILABLE ASSETS FOR PAYMENT THE FOLLOWING EXCERPT IS FROM OUR POLICY # SY-PF-128 PATIENT FAIR BILLING AND COLLECTIONS PATIENT NOTIFICATION 7 1 NOTICES WILL BE PLACED IN EACH PATIENT INTAKE OFFICE AND IN ALL AREAS WHERE PATIENT REGISTRATION TAKES PLACE THAT STATES SIH ACCEPTS MEDICARE, MEDICAID, AND ALL HEALTH INSURANCES, INCLUDING AUTOMOBILE AND LIABILITY 7 2 NOTICES WILL BE PLACED IN EACH PATIENT INTAKE OFFICE, IN ALL AREAS WHERE PATIENT REGISTRATION TAKES PLACE AND THE EMERGENCY DEPARTMENT WAITING ROOMS THAT STATES "YOU MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE TERMS AND CONDITIONS THE HOSPITAL OFFERS TO QUALIFIED PATIENTS " THE SIGNAGE WILL BE IN ENGLISH AND SPANISH 7 3 SIH'S WEBSITE WILL PROMINENTLY POST A NOTICE THAT FINANCIAL ASSISTANCE IS AVAILABLE THROUGH HAP ALONG WITH A DESCRIPTION OF THE HAP APPLICATION PROCESS AND A COPY OF THE HAP APPLICATION 7 4 INFORMATION (BROCHURE, HAP APPLICATION AND ANY OTHER APPLICABLE WRITTEN MATERIAL) REGARDING HAP WILL BE AVAILABLE IN ALL PATIENT INTAKE OFFICES AND IN ALL AREAS WHERE PATIENT REGISTRATION TAKES PLACE</p>

Identifier	ReturnReference	Explanation
Community information	Schedule H, Part VI, Line 4	<p>THE PRIMARY SERVICE AREA OF SOUTHERN ILLINOIS HEALTHCARE IS A SEVEN-COUNTY REGION BETWEEN THE MISSISSIPPI AND OHIO RIVERS IN SOUTHERN ILLINOIS THAT INCLUDES PERRY, JACKSON, FRANKLIN, WILLIAMSON, UNION, JOHNSON, AND SALINE COUNTIES THE COMBINED POPULATION OF THIS AREA IS APPROXIMATELY 240,000 SIH FACILITIES ARE LOCATED IN COMMUNITIES THAT ARE ADJACENT TO RT 13, THE PRIMARY EAST-WEST STATE HIGHWAY THROUGH THE REGION, AND ON INTERSTATE I-57, THE MAIN NORTH-SOUTH TRANSPORTATION ARTERY THESE COUNTIES ARE VERY RURAL WILLIAMSON COUNTY, THE MOST DENSELY POPULATED COUNTY IN THE SIH SERVICE TERRITORY, CONTAINS 144 PERSONS PER SQUARE MILE JOHNSON COUNTY, THE LEAST DENSELY POPULATED, CONTAINS 37 PERSONS PER SQUARE MILE THE AVERAGE NUMBER OF PERSONS PER SQUARE MILE IN ILLINOIS IS 223 COLLECTIVELY, THE RESIDENTS OF EACH OF THESE COUNTIES HAVE MEDIAN HOUSEHOLD INCOMES THAT ARE SUBSTANTIALLY LESS THAN THE STATEWIDE AVERAGE OF \$ 46,590 OF THE SEVEN COUNTIES, JOHNSON'S MEDIAN HOUSEHOLD INCOME IS THE HIGHEST AT \$ 33,326 AND JACKSON COUNTY'S IS THE LOWEST AT \$ 24,946 MORE OF THE RESIDENTS IN THESE COUNTIES LIVE IN POVERTY THAN THE STATE AVERAGE OF 10.7% WITH THE HIGHEST PERCENTAGE BEING 25.8% IN JACKSON COUNTY AND THE LOWEST OF 13.6% IN JOHNSON COUNTY FURTHER EVIDENCE OF THE ECONOMIC DISTRESS OF THE REGION IS REFLECTED IN THE DEGREE OF CHILDHOOD POVERTY NOT SURPRISINGLY, THESE COUNTIES RANK AMONG THE POOREST OF ILLINOIS' 102 COUNTIES BASED UPON THE PERCENTAGE OF CHILDREN LIVING IN POVERTY FRANKLIN COUNTY HAS THE HIGHEST RATE, 24.4%, OF CHILDHOOD POVERTY RANKING 98TH IN THE STATE JACKSON, UNION, WILLIAMSON, AND SALINE COUNTIES FALL CLOSELY BEHIND WITH RANKINGS OF 97TH, 92ND, 89TH, AND 83RD RESPECTIVELY THE POPULATION OF THIS AREA IS LARGELY HOMOGENEOUS WITH A RACIAL MAKEUP THAT IS PREDOMINATELY WHITE, 95%+ JACKSON COUNTY IS THE MOST DIVERSE OF THE COUNTIES WITH 80% OF THE POPULATION BEING WHITE AND 13% AFRICAN AMERICAN</p>

Identifier	ReturnReference	Explanation
Promotion of community health	Schedule H, Part VI, Line 5	<p>SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS DEDICATED TO PROMOTING THE HEALTH AND WELL BEING OF ALL OF THE PEOPLE IN THE COMMUNITIES WE SERVE. OUR MISSION IS GUIDED BY OUR VALUES: COMPASSION, COLLABORATION, QUALITY, STEWARDSHIP, INTEGRITY, ACCOUNTABILITY AND RESPECT. OVER 2,000 EMPLOYEES, ALONG WITH PHYSICIANS AND VOLUNTEERS, ARE WORKING TOGETHER TO ACHIEVE OUR MISSIONS 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. SIHS PROVIDES QUALITY HEALTH SERVICES TO PEOPLE THROUGHOUT SOUTHERN ILLINOIS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY. SIHS OPERATES 3 COMMUNITY HOSPITALS WITH A COMBINED TOTAL OF 240 BEDS. EACH HOSPITAL OPERATES A FULL TIME EMERGENCY ROOM. NO ONE IS DENIED CARE OR TREATMENT WITHIN THE HOSPITALS OR EMERGENCY ROOMS. MEDICAL STAFF PRIVILEGES ARE AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA, CONSISTENT WITH THE SERVICES PROVIDED AT EACH FACILITY. THE BOARD OF TRUSTEES OF SIHS IS COMPRISED OF 13 MEMBERS. THESE MEMBERS ARE COMPRISED OF LOCAL COMMUNITY LEADERS, PHYSICIANS AND OUR CEO. SIHS INVESTS EXCESS FUNDS FROM OPERATIONS INTO THE EXPANSION AND REPLACEMENT OF EXISTING FACILITIES AND EQUIPMENT, REPAYMENT OF DEBT AND IMPROVEMENT IN PATIENT CARE. SOUTHERN ILLINOIS HOSPITAL SERVICES HAS ALSO EXTENDED ITS SERVICES BEYOND HOSPITAL WALLS AND INTO THE NEIGHBORHOODS WHERE PEOPLE LIVE AND WORK. ANNUALLY OPERATING FUNDS ARE ALLOCATED SPECIFICALLY TO BRING HEALTH-RELATED PROGRAMS TO THE AREAS IN WHICH THEY ARE MOST NEEDED. OUR GOAL IS TO REACH OUT TO COMMUNITIES TO LEARN HOW SIHS CAN HELP IN COMPLETING THE HEALTH CARE PICTURE. CURRENTLY, THE COMMUNITY BENEFITS DEPARTMENT OF SIHS COLLABORATES WITH SOUTHERN ILLINOIS SCHOOLS TO PROVIDE SCHOOL NURSING SERVICES AND A COMPREHENSIVE SCHOOL HEALTH EDUCATION PROGRAM. ADDITIONALLY, THE DEPARTMENT HAS UNDERTAKEN EFFORTS TO SUPPORT INCREASED ACCESS TO QUALITY HEALTH CARE IN THE REGION THROUGH A NUMBER OF INITIATIVES, INCLUDING THE DIRECT FINANCIAL SUPPORT OF THREE FREE HEALTH CLINICS. INCLUDED IN THESE AND OTHER DEPARTMENTAL INITIATIVES ARE EFFORTS TO ADDRESS DISPARITIES IN LOCAL RESIDENTS' HEALTH STATUS AND HEALTH OUTCOMES. A HEALTH MINISTRY INITIATIVE, AIDING THE REGION'S FAITH COMMUNITIES THROUGH THE TRAINING AND SUPPORT OF PARISH NURSES, IS AN ONGOING EFFORT OF THE DEPARTMENT. OVER 100 PARISH NURSES HAVE BEEN TRAINED AND ARE BEING SUPPORTED IN THE HEALTH PROMOTION WORK OF THEIR RESPECTIVE FAITH COMMUNITIES TO DATE. ALSO, THE DEPARTMENT IS ACTIVE IN THE CREATION AND FACILITATION OF HEALTHY COMMUNITY COALITIONS. THESE GROUPS INCLUDE HEALTH PROVIDERS, SOCIAL SERVICE AGENCIES, CONCERNED CITIZENS AND OTHER COMMUNITY GROUPS INTERESTED IN IMPROVING THE HEALTH OF THEIR RESPECTIVE COMMUNITIES. THE GROUPS SEEK TO MEET LOCALLY IDENTIFIED COMMUNITY HEALTH NEEDS AND THROUGH THE IMPLEMENTATION OF PROGRAMS THAT ADDRESS THE DEMONSTRATED UNMET HEALTH NEEDS OF THE RESIDENTS OF THE COMMUNITIES SERVED. THESE COALITIONS MAKE A SIGNIFICANT IMPACT ON THE LIVES OF THOSE WITHIN THE COMMUNITIES SERVED BY SIHS. CURRENTLY, STAFF IS ENGAGED IN NUMEROUS COMMUNITY HEALTH PROMOTION, EDUCATION, AND PREVENTION INITIATIVES. AN INCREASE IN ACCESS TO PRIMARY HEALTH, BEHAVIORAL HEALTH, AND ORAL HEALTH CARE SERVICES HAS BEEN AFFECTED THROUGH THE SIHS SUPPORT OF EXISTING AND DEVELOPING COMMUNITY-BASED INTERVENTIONS. INCREASED NUMBERS OF COLLABORATIVE PARTNERSHIPS THAT SUPPORT INCREASED INDIVIDUAL AND COMMUNITY CAPACITY TO ACHIEVE A HEALTHY COMMUNITY VISION ARE ONGOING. IN ORDER TO ACCOMPLISH THE ORGANIZATION'S MISSION AS WELL AS THE OVERALL GOALS PREVIOUSLY OUTLINED, THE COMMUNITY BENEFITS DEPARTMENT OF SOUTHERN ILLINOIS HEALTHCARE IMPLEMENTS A NUMBER OF DIRECTED INITIATIVES. FOLLOWING IS A DESCRIPTION OF THESE INITIATIVES, THE SPECIFIC GOALS AND OBJECTIVES TO BE ACHIEVED FOR FY11, AND AN OUTLINE OF THE MEANS BY WHICH DEPARTMENT STAFF WILL WORK TO PLAN, IMPLEMENT, AND EVALUATE THESE PROGRAMS. 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. THE FOCUS OF THE SIH COMMUNITY BENEFITS WELLNESS PROGRAM IS TO IMPROVE THE HEALTH AND WELL-BEING OF THE COMMUNITY MEMBERS OF SOUTHERN ILLINOIS HEALTHCARE'S SERVICE AREA AND TO IMPROVE THE HEALTH AND WELL-BEING OF SIH EMPLOYEES THROUGH A STRATEGIC WELLNESS PLAN INCLUDING PREVENTATIVE HEALTH SCREENINGS, EDUCATIONAL PROGRAMMING, AND DISEASE MANAGEMENT. IN ADDITION TO THE INITIATIVES WHICH DEPARTMENT STAFF PLANS, IMPLEMENTS, AND EVALUATES, COMMUNITY BENEFITS ALSO PROVIDES SIGNIFICANT</p>

Identifier	ReturnReference	Explanation
Promotion of community health	Schedule H, Part VI, Line 5	<p>T FINANCIAL SUPPORT TO SEED NEW PROGRAMS WHICH MEET BOTH THE PRIORITIES OF THE DEPARTMENT AND PRESSING COMMUNITY NEEDS THIS FINANCIAL SUPPORT IS PROVIDED TO APPLICANTS WHO DEMONSTRATE THE CAPACITY TO SUCCESSFULLY IMPLEMENT THE PROPOSED PROGRAM PLAN AND CREATE SUSTAINABLE SOLUTIONS TO UNMET HEALTH NEEDS CURRENTLY, COMMUNITY BENEFITS IS WORKING CLOSELY WITH SEVERAL COMMUNITY-BASED PROVIDERS TO DESIGN PROGRAMS WHERE THE LEVERAGING OF SIH FUNDING, COMBINED WITH THE AGENCY'S RESOURCES AND EXPERTISE, RESULT IN INNOVATIVE PROGRAMS THAT MEET THE NEEDS OF THE COMMUNITIES SERVED BY SIH HOSPITALS AND IMPROVE BOTH INDIVIDUAL AND COMMUNITY HEALTH SOME OF THE PROGRAMS INVOLVE INCREASING ACCESS TO PRIMARY AND LIMITED SPECIALTY HEALTH CARE, INCREASING ACCESS TO ORAL HEALTH CARE FOR THE UNINSURED, AND IMPROVING THE OVERALL HEALTH AND HUMAN SERVICE SYSTEM CAPACITY TO RECOGNIZE AND RESPOND TO DOMESTIC VIOLENCE AND CHILD ABUSE AND NEGLECT THE HANDS OF HOPE MEDICAL CLINIC LOCATED IN MARION, IL IS PROVIDING PRIMARY AND LIMITED SPECIALTY HEALTH CARE TO WORKING UNINSURED RESIDENTS OF WILLIAMSON COUNTY HERRIN HOSPITAL PROVIDES LAB SERVICES TO PATIENTS REFERRED BY THE CLINIC UNDER A PROGRAM ADMINISTERED BY COMMUNITY BENEFITS</p>

Identifier	ReturnReference	Explanation
Affiliated health care system	Schedule H, Part VI, Line 6	SOUTHERN ILLINOIS HOSPITAL SERVICES (SIHS) IS PART OF A LARGER SYSTEM THAT PROVIDES HEALTH SERVICES TO THE POPULATION OF SOUTHERN ILLINOIS SIHS PROVIDES CARE THROUGH ITS THREE HOSPITALS AND ONE COMMUNITY HEALTH CENTER SOUTHERN ILLINOIS MEDICAL SERVICES PROVIDES CARE THROUGH PHYSICIAN PRACTICES THESE PRACTICES ARE COMPRISED OF THE CENTER FOR MEDICAL ARTS, INDIVIDUAL PHYSICIAN PRACTICES, HOSPITAL PHYSICIANS AND EMERGENCY ROOM PHYSICIANS SIHS AND SIMS WORK TOGETHER IN PROVIDING CARE AND TREATMENT OF THE MEDICALLY SICK, INJURED OR AFFLICTED BOTH PROVIDE QUALITY HEALTH SERVICES TO PEOPLE THROUGHOUT SOUTHERN ILLINOIS REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE OR ABILITY TO PAY

Identifier	ReturnReference	Explanation
State filing of community benefit report	Schedule H, Part VI, Line 7	IL

**Additional Data**

**Software ID:** 11000230  
**Software Version:** v2011.1.0  
**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**

<b>Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility</b> (list in order of size from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>17</u>	
Name and address	Type of Facility (Describe)
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY
BREAST CENTER 1237 EAST MAIN STREET CARBONDALE, IL 62901	MAMMOGRAPHY FACILITY



Schedule I (Form 990)

OMB No 1545-0047

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

2011

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization 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...
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.

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, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Contains 10 rows of data.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 10
3 Enter total number of other organizations listed in the line 1 table 0

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

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

**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:** 11000230  
**Software Version:** v2011.1.0  
**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
LAND OF LINCOLN LEGAL ASSISTANCE FOUNDATION 509 S UNIVERSITY AVE 3RD FLOOR CARBONDALE, IL 62901	37-0958448	501(C)(3)	64,000	0	N/A	NA	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

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

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION 1235 DOUGLAS DRIVE CARBONDALE, IL 62901	37-6024575	501(C)(3)	47,075	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)	10,800	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**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
AMERICAN HEART ASSOCIATION PO BOX 40022902 DES MOINES, IA 503402902	13-5613797	501(C)(3)	15,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
CONNECTS FOUNDATION 3000 W DEYOUNG SUITE 800B MARION, IL 62959	27-0524341	501(C)(3)	7,000	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**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
ARTHRITIS FOUNDATION 4501 W DEYOUNG SUITE B104 MARION, IL 62959	26-4639290	501(C)(3)	10,000	0	N/A	N/A	GENERAL PROGRAM FUNDING
REHAB INSTITUTE OF CHICAGO 345 EAST SUPERIOR CHICAGO, IL 60016	36-2256036	501(C)(3)	5,500	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**

<b>(a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC Code section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> Purpose of grant or assistance
JACKSON COUNTY HEALTH DEPARTMENT 415 HEALTH DEPARTMENT ROAD MURPHYSBORO, IL 62956	37-6001092	501(C)(3)	26,244	0	N/A	N/A	GENERAL PROGRAM FUNDING
PREGNANCY MATTERS PO BOX 4001 CARBONDALE, IL 62902	37-1080225	501(C)(3)	0	17,000	FMV	3 ULTRASOUND UNITS	PROGRAM USE

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

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

▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
SOUTHERN ILLINOIS HOSPITAL SERVICES

**Employer identification number**

37-0618939

**Part I Questions Regarding Compensation**

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

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

- a** Receive a severance payment or change-of-control payment?
- 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
<b>1b</b>		
<b>2</b>		
<b>4a</b>	Yes	
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		



**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

**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	BECKY ASHTON, VP/ADMINISTRATOR RECEIVED SEVERANCE PAYMENTS OF \$118,080
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	THE ORGANIZATION MADE THE FOLLOWING SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN PAYMENTS/CONTRIBUTIONS REX BUDDER - \$33,959 PAYMENT, \$170,738 DEFERRED COMPENSATION BECKY ASHTON-\$80,654 PAYMENT, \$80,443 DEFERRED COMPENSATION PAM HENDERSON - \$49,559 PAYMENT, \$63,045 DEFERRED COMPENSATION DAVE HOLLAND - \$74,807 PAYMENT, \$72,869 DEFERRED COMPENSATION MIKE KASSER - \$84,957 DEFERRED COMPENSATION JAMES MILLER - \$93,900 PAYMENT BART MILLSTEAD - \$91,031 PAYMENT, \$109,152 DEFERRED COMPENSATION PHIL SCHAEFER - \$76,856 PAYMENT, \$97,531 DEFERRED COMPENSATION SCOTT SEABORN - \$78,549 PAYMENT, \$85,915 DEFERRED COMPENSATION BILL SHERWOOD - \$116,473 DEFERRED COMPENSATION JULIE FIRMAN - \$63,139 DEFERRED COMPENSATION WILLIAM THORNE - \$50,320 DEFERRED COMPENSATION WAYNE CORZINE - \$34,382 PAYMENT, \$11,126 DEFERRED COMPENSATION

**Software ID:** 11000230  
**Software Version:** v2011.1.0  
**EIN:** 37-0618939  
**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) (ii)	181,933 0	39 0	11,224 0	69,254 0	23,529 0	285,979 0	0 0
REX BUDDE	(i) (ii)	431,948 0	39 0	71,477 0	180,538 0	58,794 0	742,796 0	33,959 0
MIKE KASSER	(i) (ii)	276,009 0	39 0	24,307 0	94,757 0	34,417 0	429,529 0	0 0
WILLIAM SHERWOOD	(i) (ii)	240,142 0	39 0	27,637 0	126,273 0	41,756 0	435,847 0	0 0
PHILIP SCHAEFER	(i) (ii)	264,656 0	695 0	86,942 0	107,331 0	45,674 0	505,298 0	76,856 0
PAM HENDERSON	(i) (ii)	191,132 0	39 0	61,385 0	70,766 0	4,697 0	328,019 0	49,559 0
DAVID HOLLAND	(i) (ii)	208,368 0	39 0	85,184 0	81,321 0	20,258 0	395,170 0	74,807 0
JOHN B MILLSTEAD	(i) (ii)	303,869 0	39 0	100,481 0	118,952 0	41,554 0	564,895 0	91,031 0
BECKY ASHTON	(i) (ii)	132,994 0	0 0	236,051 0	83,887 0	8,465 0	461,397 0	80,654 0
SCOTT SEABORN	(i) (ii)	215,252 0	23,751 0	92,178 0	95,324 0	22,857 0	449,362 0	78,549 0
JAMES MILLER MD	(i) (ii)	292,613 0	39 0	104,886 0	9,800 0	39,327 0	446,665 0	93,900 0
RICHARD BOREN	(i) (ii)	179,556 0	39 0	727 0	7,600 0	39,094 0	227,016 0	0 0
BRIAN LANCE	(i) (ii)	156,488 0	11,506 0	9,755 0	7,938 0	25,148 0	210,835 0	0 0
WILLIAM THORNE	(i) (ii)	155,067 0	476 0	14,431 0	56,895 0	37,744 0	264,613 0	0 0
THOMAS HENTIRCH	(i) (ii)	142,535 0	15,974 0	14,078 0	6,685 0	37,067 0	216,339 0	0 0
WAYNE CORZINE	(i) (ii)	92,742 0	1,709 0	98,420 0	13,608 0	26,233 0	232,712 0	34,382 0
LEE ANN JONES	(i) (ii)	142,823 0	26,939 0	1,686 0	6,556 0	1,366 0	179,370 0	0 0
DR TERRENCE GLENNON	(i) (ii)	3,300 279,142	0 21,735	0 57,777	0 28,401	0 28,406	3,300 415,461	0 55,308

**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.

**2011**

**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
<b>A</b>	ILLINOIS FINANCE AUTHORITY	86-1091967	45200FS42	02-18-2010	68,985,878	DEEMED REISSUANCE OF 2005 BONDS		X		X		X
<b>B</b>	ILLINOIS FINANCE AUTHORITY	86-1091967	45200FSD2	12-04-2008	55,000,000	FINANCE CAPITAL ACQUISITIONS		X		X		X
<b>C</b>	ILLINOIS FINANCE AUTHORITY	86-1091967	45200FSD2	11-16-2011	52,750,000	DEEMED REISSUANCE OF 2008 VARIABLE RATE DEMAND REVENUE BONDS		X		X		X
<b>D</b>	ILLINOIS FINANCE AUTHORITY	86-1091967		10-27-2011	14,420,000	REFUNDING 1998 BOND ISSUE		X		X		X

**Part II Proceeds**

		A		B		C		D	
<b>1</b>	Amount of bonds retired	0		55,000,000		480,000		1,283,000	
<b>2</b>	Amount of bonds defeased	0		0		0		0	
<b>3</b>	Total proceeds of issue	68,985,878		55,058,935		52,750,000		14,420,000	
<b>4</b>	Gross proceeds in reserve funds	0		0		0		0	
<b>5</b>	Capitalized interest from proceeds	0		0		0		0	
<b>6</b>	Proceeds in refunding escrow	0		0		0		0	
<b>7</b>	Issuance costs from proceeds	0		919,545		0		282,518	
<b>8</b>	Credit enhancement from proceeds	0		559,403		0		0	
<b>9</b>	Working capital expenditures from proceeds	0		0		0		0	
<b>10</b>	Capital expenditures from proceeds	0		29,729,646		0		0	
<b>11</b>	Other spent proceeds	68,985,878		0		52,750,000		14,137,482	
<b>12</b>	Other unspent proceeds	0		0		0		0	
<b>13</b>	Year of substantial completion	2008		2011		2011		2011	
		<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>14</b>	Were the bonds issued as part of a current refunding issue?	X		X		X		X	
<b>15</b>	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
<b>16</b>	Has the final allocation of proceeds been made?	X		X		X		X	
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use?		X		X		X		X
<b>b</b> If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
<b>d</b> If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> 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 %		0 %		0 %	
<b>5</b> 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 %		0 %		0 %	
<b>6</b> Total of lines 4 and 5	0 %		0 %		0 %		0 %	
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
<b>2</b> Is the bond issue a variable rate issue?		X	X		X			X
<b>3a</b> Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X		X			X
<b>b</b> Name of provider			MORGAN STANLEY		MORGAN STANLEY CAPITAL SERVICES			
<b>c</b> Term of hedge			29 0		27 3		0 0	
<b>d</b> Was the hedge superintegrated?				X		X		
<b>e</b> Was a hedge terminated?				X		X		
<b>4a</b> Were gross proceeds invested in a GIC?		X		X		X		X
<b>b</b> Name of provider								
<b>c</b> Term of GIC			0 0				0 0	
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
<b>6</b> Did the bond issue qualify for an exception to rebate?	X		X		X		X	

**Part V Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . .  Yes  No

**Part VI 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	PART I	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
Procedures to take corrective action	Schedule K, Part V	WRITTEN PROCEDURES ARE IN THE PROCESS OF BEING ESTABLISHED THE ISSUER OF ALL BONDS HAVE THESE WRITTEN PROCEDURES IN PLACE

**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.**

**2011**

**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

**Part II Proceeds**

		A	B	C	D				
<b>1</b>	Amount of bonds retired								
<b>2</b>	Amount of bonds defeased								
<b>3</b>	Total proceeds of issue								
<b>4</b>	Gross proceeds in reserve funds								
<b>5</b>	Capitalized interest from proceeds								
<b>6</b>	Proceeds in refunding escrow								
<b>7</b>	Issuance costs from proceeds								
<b>8</b>	Credit enhancement from proceeds								
<b>9</b>	Working capital expenditures from proceeds								
<b>10</b>	Capital expenditures from proceeds								
<b>11</b>	Other spent proceeds								
<b>12</b>	Other unspent proceeds								
<b>13</b>	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
<b>14</b>	Were the bonds issued as part of a current refunding issue?								
<b>15</b>	Were the bonds issued as part of an advance refunding issue?								
<b>16</b>	Has the final allocation of proceeds been made?								
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?								

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use?								
<b>b</b> If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?								
<b>d</b> If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> 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								
<b>5</b> 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								
<b>6</b> Total of lines 4 and 5								
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

**Part IV Arbitrage**

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

**Part V Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . .  Yes  No

**Part VI Supplemental Information**

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

Identifier	Return Reference	Explanation
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Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

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	27,723	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

**2011**

**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 64,426 ADULT AND CHILD PATIENT DAYS AND 3,371 NEWBORN PATIENT DAYS. OUTPATIENT REGISTRATIONS TOTALED 276,895 WITH 66,569 OF THESE REGISTRATIONS BEING EMERGENCY ROOM VISITS. APPROXIMATELY 58.73% OF THESE DAYS AND REGISTRATIONS PROVIDED CARE THAT WAS CLASSIFIED AS EITHER UNCOMPENSATED CHARITY CARE OR UNCOMPENSATED GOVERNMENT-SPONSORED HEALTH CARE. AN ADDITIONAL 3.3% 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 ( I E 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, 49 SCHOOLS, 25,000 STUDENTS, AND APPROXIMATELY 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 15 ELEMENTARY SCHOOLS, REACHING 8000 STUDENTS</p>

Identifier	Return Reference	Explanation
Delegate broad authority to a committee	Form 990, Part VI, Section A, Line 1a	<p>THE BOARD HAS A GOVERNANCE COMMITTEE CONSISTING OF 5 TRUSTEES. THE PURPOSE OF THE GOVERNANCE COMMITTEE IS TO ASSURE THE BOARD OF TRUSTEES THAT THE RESPECTIVE PROGRAMS ARE FUNCTIONAL TO FULFILL THE RESPONSIBILITIES OF THE BOARD OF TRUSTEES. • DEVELOP AND MAINTAIN EFFECTIVE COMPENSATION AND BENEFIT POLICIES AND PRACTICES, REVIEW AND RECOMMEND IN ADVANCE ALL EXECUTIVE COMPENSATION ARRANGEMENTS, PROVIDE FOR THE EVALUATION OF THE PERFORMANCE OF THE CEO AND OTHER SYSTEM OFFICERS, REVIEW AND RECOMMEND ANNUAL PERFORMANCE OBJECTIVES FOR SYSTEM OFFICERS, PROVIDE FOR CONDUCT OF A PERIODIC SELF-EVALUATION OF THE BOARD OF TRUSTEES. • ASSURE THAT THE PROGRAMS WHICH ADDRESS NEW BOARD MEMBER ORIENTATION, CONTINUING EDUCATION, MENTORING, AND FACILITATE UNDERSTANDING OF CURRENT TRENDS IN HEALTHCARE AND MEDICAL TERMINOLOGY, ARE FUNCTIONAL. • IDENTIFY COMPETENT, HIGHLY QUALIFIED INDIVIDUALS TO SERVE AS MEMBERS OF THE BOARD OF TRUSTEES, RECOMMEND INDIVIDUALS TO SERVE IN LEADERSHIP POSITIONS ON THE BOARD, AND FACILITATE AND INTERVIEW POTENTIAL BOARD MEMBERS. • ACT FOR THE BOARD OF TRUSTEES IN ALL MATTERS AS SPECIFICALLY AUTHORIZED BY RESOLUTION OF THE BOARD OR WHEN THE BOARD OF TRUSTEES IS NOT IN SESSION.</p>

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
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"> <li>1 CAPITAL EXPENDITURES IN EXCESS OF \$500,000,</li> <li>2 THE BUYING, SELLING, LEASING, MORTGAGING OR DISPOSING OF REAL PROPERTY BELONGING TO THE CORPORATION OR ANY OF ITS SUBSIDIARIES,</li> <li>3 THE ESTABLISHMENT OR DISCONTINUANCE OF ANY MAJOR SERVICES, INCLUDING SERVICES REQUIRING CERTIFICATES OF NEED,</li> <li>4 LONG-RANGE STRATEGIC PLANS,</li> <li>5 MASTER FACILITIES AND SITE PLANS,</li> <li>6 THE CREATION OR DISSOLUTION OF ANY CORPORATION, THE SOLE MEMBER OR MAJORITY STOCKHOLDER OF WHICH IS THE CORPORATION,</li> <li>7 JOINT VENTURE OR AFFILIATION AGREEMENTS,</li> <li>8 THE INCURRENCE OF INDEBTEDNESS IN EXCESS OF \$500,000,</li> <li>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,</li> <li>10 DELEGATION OF THE FUNCTIONS, POWERS, DUTIES AND RESPONSIBILITIES OF ANY OFFICER OF THE CORPORATION, AND,</li> <li>11 ANY OTHER MATTER WHICH MAY BE SPECIFIED FROM TIME TO TIME BY THE CORPORATE MEMBER.</li> </ol> <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 2011.

Identifier	Return Reference	Explanation
<p>Process used to establish compensation of other officers/key employees</p>	<p>Form 990, Part VI, Section B, Line 15b</p>	<p>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 2011.</p>

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	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
Average number of hours devoted per week to related organization	Form 990, Part VII, Section A, Column B	<p>REX BUDDER - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 4 HOURS PER WEEK MIKE KASSER - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 10 HOURS PER WEEK WILLIAM SHERWOOD - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 10 HOURS PER WEEK PHILIP SCHAEFER - SOUTHERN ILLINOIS MEDICAL SERVICES, 30 HOURS PER WEEK PAM HENDERSON - SOUTHERN ILLINOIS MEDICAL SERVICES 4 HOURS PER WEEK DAVID HOLLAND - SOUTHERN ILLINOIS MEDICAL SERVICES, 8 HOURS PER WEEK GEORGE O'NEILL - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 1 HOUR PER WEEK JEFFREY PARKS - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK PHIL NORDSTROM - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK HAROLD BARDO - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 1 HOUR PER WEEK EUGENE BASANTA - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK RUSSELL BROWN DO - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK KATHLEEN FRALISH - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 1 HOUR PER WEEK MORTON LEVINE - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK MARSHA RYAN MD - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SIH FOUNDATION, 1 HOUR PER WEEK STEVE SABENS - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SOUTHERN ILLINOIS MEDICAL SERVICES, 1 HOUR PER WEEK ANAD SALEM MD - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK MARLENE SIMPSON - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK JAMES MILLER MD - SOUTHERN ILLINOIS MEDICAL SERVICES, 7 HOURS PER WEEK WILLIAM THORNE - SOUTHERN ILLINOIS MEDICAL SERVICES 10 HOURS PER WEEK DR TERRENCE GLENNON - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK SIH FOUNDATION, 1 HOUR PER WEEK DEBRA MCMORROW - SOUTHERN ILLINOIS HEALTHCARE ENTERPRISES, 1 HOUR PER WEEK</p>



Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -5595468, CHANGE IN FAIR VALUE INTEREST RATE SWAP - -3750491, LOSS ON DERIVATIVE - -4745689, EQUITY TRANSFERS - -19938520, CHANGE IN RESTRICTED FUNDS - -39433,

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
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
(1) QUALITY HEALTH PARTNERS LLC 1239 E MAIN ST CARBONDALE, IL 62901 45-4435852	ADMINISTRATIVE SERVICES	IL	205,000	572,286	SOUTHERN ILLINOIS HOSPITAL SERVICES

**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		No
(2) SOUTHERN ILLINOIS MEDICAL SERVICES NFP 1239 EAST MAIN STREET CARBONDALE, IL 62901 20-5521741	MEDICAL SERVICES	IL	501(C)(3)	3	SOUTHERN ILLINOIS HOSPITAL SERVICES	Yes	
(3) SIH FOUNDATION NFP 1239 EAST MAIN STREET CARBONDALE, IL 62901 27-1933790	FUNDRAISING	IL	501(C)(3)	11 - Type II	NA		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
<b>(1)</b> RIC AND SIHS REHABILITATION SERVICES LLC PO BOX 3988 CARBONDALE, IL 62902 36-4566925	MEDICAL SERVICES	IL	NA	RELATED	1,344,988	999		No			No	99.9 %
<b>(2)</b> PHYSICIANS' SURGERY CENTER LLC 2601 WEST MAIN STREET CARBONDALE, IL 62901 26-0425547	MEDICAL SERVICES	IL	NA	RELATED	2,059,606	1,537,064		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
<b>(1)</b> SIH CAYMAN SPC GROUP LTD PO BOX 1051 CAYMAN ISLANDS KY1-1102 CJ 98-0611605	FINANCING	CJ	SIHS	C CORPORATION	4,999,170	21,588,099	1.00 %
<b>(2)</b> HEALTH SERVICES OF SOUTHERN ILLINOIS INC PO BOX 3988 CARBONDALE, IL 62902 37-1115061	PHARMACY	IL	SIHS	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 related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

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

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

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

	Yes	No
<b>1a</b>	Yes	
<b>1b</b>		No
<b>1c</b>		No
<b>1d</b>	Yes	
<b>1e</b>	Yes	
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>	Yes	
<b>1k</b>	Yes	
<b>1l</b>		No
<b>1m</b>		No
<b>1n</b>	Yes	
<b>1o</b>	Yes	
<b>1p</b>		No
<b>1q</b>	Yes	
<b>1r</b>		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
<b>(1)</b> SOUTHERN ILLINOIS MEDICAL SERVICES NFP	A	491,755	FMV
<b>(2)</b> SOUTHERN ILLINOIS MEDICAL SERVICES NFP	Q	19,938,520	FMV
<b>(3)</b>			
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			

**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) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(e) Are all partners section 501(c)(3) organizations?		(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		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****Schedule R (Form 990) 2011**

**SOUTHERN ILLINOIS HOSPITAL SERVICES**

**CONSOLIDATED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

March 31, 2012 and 2011

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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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, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of 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 4% and 1% for the year ended March 31, 2012 and 3% and 1% for the year ended March 31, 2011 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 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 provide 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, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated balance sheet and consolidating statements of operations are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling other information directly to the underlying accounting and such records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

  
Crowe Horwath LLP

Indianapolis, Indiana  
July 18, 2012

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2012 and 2011  
(\$ in thousands)

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 7,127	\$ 8,983
Assets whose use is limited by trust agreement	17	47
Accounts receivable		
Patient, net	85,303	69,480
Affiliates	46	95
Supplies	6,505	7,158
Prepaid expenses	5,693	4,833
Current portion of notes receivable	314	142
Other	<u>3,690</u>	<u>2,831</u>
Total current assets	<u>108,695</u>	<u>93,569</u>
Assets whose use is limited by		
Board designation for capital improvements	277,985	280,494
Board designation for self-insurance	15,304	12,265
Trust agreement	<u>17</u>	<u>10,590</u>
	<u>293,306</u>	<u>303,349</u>
Property and equipment, net	<u>175,691</u>	<u>169,135</u>
Other Assets		
Unamortized bond costs, net of accumulated amortization of \$760 in 2012 and \$1,076 in 2011	4,451	4,310
Investments in joint ventures	2,106	1,943
Notes receivable, less current portion	1,139	1,030
Goodwill	11,492	877
Other	<u>7,839</u>	<u>6,407</u>
	<u>27,027</u>	<u>14,567</u>
 Total assets	 <u>\$ 604,719</u>	 <u>\$ 580,620</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2012 and 2011  
(\$ in thousands)

	<u>2012</u>	<u>2011</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Current maturities of long-term debt	\$ 3,395	\$ 3,104
Current maturities of interest rate swap contracts	2,206	2,378
Accounts payable		
Construction contracts	128	235
Trade	18,052	17,003
Affiliates	-	27
Estimated third-party payor settlements	11,698	8,121
Accrued liabilities		
Payroll and related expenses	19,589	17,175
Other	<u>9,512</u>	<u>7,564</u>
Total current liabilities	<u>64,580</u>	<u>55,607</u>
 Long-term debt, less current maturities	 131,468	 135,759
 Interest rate swap contracts	 12,085	 3,418
Medical professional liabilities	26,620	21,746
Other	<u>688</u>	<u>659</u>
	<u>170,861</u>	<u>161,582</u>
 Total liabilities	 <u>235,441</u>	 <u>217,189</u>
 Net assets		
SIHS controlling interest	367,994	362,295
Non-controlling interest	<u>699</u>	<u>588</u>
Total unrestricted	368,693	362,883
Temporarily restricted	<u>585</u>	<u>548</u>
Total net assets	<u>369,278</u>	<u>363,431</u>
 Total liabilities and net assets	 <u>\$ 604,719</u>	 <u>\$ 580,620</u>

See accompanying notes to consolidated financial statements

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
For the years ended March 31, 2012 and 2011  
(\$ in thousands)

	<u>2012</u>	<u>2011</u>
Net patient service revenue	\$ 379,649	\$ 363,220
Other operating revenue	4,938	2,874
Net assets released from restriction	<u>305</u>	<u>161</u>
Total revenue	<u>384,892</u>	<u>366,255</u>
Expenses		
Salaries	146,185	136,570
Employee benefits	43,383	41,167
Physicians' fees	25,079	23,538
Professional fees	18,871	16,072
Purchased services	12,318	11,575
Patient chargeable supplies	37,252	37,175
Patient nonchargeable supplies	12,671	11,165
Drugs and pharmaceuticals	13,396	11,745
Other supplies and expense	7,355	6,911
Rent expense	2,273	2,262
Repairs and maintenance	9,983	9,342
Insurance	11,891	9,686
Miscellaneous expense	3,356	4,411
Interest and amortization	7,508	7,620
Depreciation	25,481	23,289
Non-cash interest (income) expense associated with interest rate swap contracts	<u>4,746</u>	<u>987</u>
Total expense	<u>381,748</u>	<u>353,515</u>
Income from operations	<u>3,144</u>	<u>12,740</u>
Non-operating gains (losses)		
Unrestricted gifts and interest income	1,184	729
Investment income and net realized gains from board designated funds	9,266	22,700
Reclassification of net unrealized gains on securities transferred To trading categories	-	17,722
Change in net unrealized gains on investments	(5,577)	12,624
Equity in earnings of joint ventures	1,612	3,469
Other	(363)	(318)
Corporate allocation	<u>-</u>	<u>-</u>
	<u>6,122</u>	<u>56,926</u>
Excess (deficiency) of revenue over expenses before non-controlling interest	<u>9,266</u>	<u>69,666</u>
Reclassification of net unrealized gains on securities transferred to trading categories	-	(17,722)
Contributions	184	420
Change in fair value of interest rate swap contracts	<u>(3,751)</u>	<u>(589)</u>
Increase in unrestricted net assets	<u>\$ 5,699</u>	<u>\$ 51,775</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, 2012 and 2011  
(\$ in thousands)

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets Parent Co	Non- controlling Interests	Total Net Assets
Balance at April 1, 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	362,295	548	362,843	588	363,431
Changes in net assets					
Distributions	-	-	-	(28)	(28)
Contributions	184	342	526	-	526
Releases from restriction	-	(305)	(305)	-	(305)
Change in fair value of interest rate swap	(3,751)	-	(3,751)	-	(3,751)
Excess revenue over expenses	<u>9,266</u>	<u>-</u>	<u>9,266</u>	<u>139</u>	<u>9,405</u>
Total change in net assets	<u>5,699</u>	<u>37</u>	<u>5,736</u>	<u>111</u>	<u>5,847</u>
Balance at March 31, 2012	<u>\$ 367,994</u>	<u>\$ 585</u>	<u>\$ 368,579</u>	<u>\$ 699</u>	<u>\$ 369,278</u>

See accompanying notes to consolidated financial statements

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended March 31, 2012 and 2011  
(\$ in thousands)

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,847	\$ 52,719
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Non-controlling interest in net income (loss) of consolidated subsidiary	139	-
Reclassification of non-controlling interest	-	(868)
Minority dividend distributions	(28)	(11)
Depreciation	25,481	23,289
Amortization of bond costs	222	199
Loss on bond refinancing	216	-
Investment amortization	-	201
Provision for bad debts	37,865	27,466
Loss on disposal of property and equipment	224	142
(Gain) on sale of investments	(87)	(13,833)
Net unrealized (gains) losses on investments	5,577	(12,624)
Undistributed net earnings of joint ventures	(1,612)	(3,469)
Loss on interest rate swap contracts	8,495	1,578
Changes in working capital components		
(Increase) decrease in		
Patient accounts receivable	(53,639)	(17,275)
Supplies, prepaids and other assets	(2,536)	(3,888)
Increase (decrease) in		
Trade payables	1,049	2,915
Third-party reimbursement programs	3,577	770
Payroll and related expenses	2,414	(493)
Medical professional liabilities	4,874	4,241
Other liabilities	1,944	4,442
Net cash from operating activities	<u>40,022</u>	<u>65,501</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(262,005)	(392,686)
Proceeds from sale of investments	266,558	357,580
Payments received on notes receivable, net of (advances)	(281)	(287)
Proceeds from sale of property and equipment	52	82
Proceeds from sale of interest in SIOC	-	2,675
Adjustments to goodwill	(15,810)	-
Distributions from joint venture	1,449	1,659
Purchases and construction of property and equipment	<u>(27,262)</u>	<u>(30,224)</u>
Net cash from investing activities	<u>(37,299)</u>	<u>(61,201)</u>

See accompanying notes to consolidated financial statements

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended March 31, 2012 and 2011  
(\$ in thousands)

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	<u>2012</u>	<u>2011</u>
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	\$ (135)	\$ (84)
Proceeds from long-term debt	73	-
Proceeds from bonds	14,420	-
Principal payments on bonds	(18,358)	(2,645)
Payment of bond costs	<u>(579)</u>	<u>(70)</u>
Net cash from financing activities	<u>(4,579)</u>	<u>(2,799)</u>
(Decrease) Increase in cash and cash equivalents	(1,856)	1,501
<b>Cash and cash equivalents</b>		
Beginning of year	<u>8,983</u>	<u>7,482</u>
End of year	<u>\$ 7,127</u>	<u>\$ 8,983</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 7,406</u>	<u>\$ 7,345</u>
Supplemental disclosures of noncash investing and financing activities		
Construction-in-progress released/(incurred) in exchange for construction contracts payable	<u>\$ 1,200</u>	<u>\$ 563</u>

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See accompanying notes to consolidated financial statements

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**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
- SIH Foundation, NFP
- Quality Health Partners 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.

The following table depicts the changes in consolidated unrestricted net assets attributable to the noncontrolling interest in PSC:

	<u>PSC</u>
Balance April 1, 2010	\$ 868
Excess of revenues over expenses (from continuing operations)	(269)
Distributions declared	(11)
Change in net assets	<u>(280)</u>
Balance March 31, 2011	<u>588</u>
Excess of revenues over expenses (from continuing operations)	133
Distributions declared	(22)
Change in net assets	<u>111</u>
Balance March 31, 2012	<u>\$ 699</u>

(Continued)



SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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

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) and SIH Foundation and Quality Health Partners LLC 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

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 2012 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 non-operating income

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

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 non-operating 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.

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, 2012 and 2011.

Investments in Joint Ventures As of March 31, 2012 and 2011, the Corporation has an interest of 34% 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 Corporation 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 Corporation 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. The property and equipment acquired through business acquisitions has been recorded at the fair market value at the time of the acquisition.

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.

Goodwill The Financial Accounting Standards Board ("FASB") issued FASB ASC 805 (*Business Combinations*) and FASB ASC 350 (*Intangibles - Goodwill and Other*). FASB ASC 805 requires all business combinations to be accounted for using the purchase method of accounting. In addition, FASB ASC 805 requires that identifiable intangible assets be recognized apart from goodwill based on meeting certain criteria. FASB ASC 350 addresses how intangible assets and goodwill should be accounted for upon and after acquisition. Specifically, goodwill and intangible assets with indefinite useful lives will not be amortized but will be subject to annual impairment tests based on their estimated fair value. There was no impairment in 2012 or 2011.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

On October 31, 2011, Southern Illinois Medical Services, NFP purchased substantially all of the assets of Logan Primary Care (the "Practice"), excluding the accounts receivable and cash used in or generated from the conduct and operation of the Practice prior to closing date. The Corporation acquired the primary family practice clinic as the transaction was mutually beneficial for both parties. The purchase price was allocated to the balance sheet as follows:

Property and equipment	\$ 5,207
Prepaid assets	68
Goodwill	10,615
Other accrued liabilities	<u>(80)</u>
Total purchase allocation	<u>\$ 15,810</u>

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: 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.

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.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

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, 2012 and 2011, no tax was due related to these operations.

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, 2012 and 2011. The Corporation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Corporation 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, 2008 and prior.

Fair Value Measurement Investments are stated at fair value based on quoted prices or nationally recognized securities exchanges.

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.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

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 10 for additional disclosure.

New Accounting Pronouncements Effective April 1, 2011 and retrospectively for all periods presented, the Corporation adopted the provisions of ASU 2010-24 which further clarifies that health care entities should not net insurance recoveries against the related claim liabilities. In connection with the Corporation's adoption of ASU 2010-24, the Corporation recorded an increase to its "Other assets" and "Reserves for self-insurance claims and other liabilities" in the accompanying condensed consolidated balance sheet by \$10.5 million as of March 31, 2012. The \$1.65 million increase to both "Other" assets and "Other" liabilities as of March 31, 2012 represents the Corporation's estimate of its recoveries for certain claims in excess of the Corporation's self-insured retention levels for workers' compensation claims and professional and general liability claims. The adoption of ASU 2010-24 had no impact on the Corporation's results of operations or cash flows.

In July 2011, the FASB issued ASU 2011-7, "Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities" ("ASU 2011-7"). In accordance with ASU 2011-7, the Corporation will be required to present its provision for doubtful accounts related to patient service revenue as a deduction from revenue, similar to contractual discounts. Accordingly, the Corporation's revenues will be required to be reported net of both contractual discounts as well as its provision for doubtful accounts related to patient service revenues. Additionally, ASU 2011-7 will require the Corporation to make certain additional disclosures designed to help users understand how contractual discounts and bad debts affect recorded revenue in both interim and annual financial statements. ASU 2011-7 is required to be applied retrospectively and is effective for public companies for fiscal years beginning after December 15, 2011 and interim periods within those fiscal years. Early adoption is permitted. The Corporation has adopted the provisions of ASU 2011-7. As a result of the adoption, ASU 2011-7 is not expected to impact the Corporation's financial position, results of operations or cash flows, however, it will change the presentation of the Corporation's revenues on its statements of operations as well as requiring additional disclosures.

In September 2011, the FASB issued ASU 2011-8, "Intangibles — Goodwill and Other (Topic 350)" ("ASU 2011-8"). Previously, entities were required to test goodwill for impairment, on at least an annual basis, by first comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the resulting fair value of a reporting unit was less than its carrying amount, then the second step of the test would be performed to measure the amount of the impairment loss, if any. ASU 2011-8 permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step goodwill impairment test is unnecessary.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

In accordance with ASU 2011-8, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. Additionally, ASU 2011-8 permits an entity to resume performing the qualitative assessment in any subsequent period. ASU 2011-8 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted. The adoption of ASU 2011-8 is not expected to impact the Corporation's financial position, results of operations or cash flows.

In August 2010, the FASB issued ASU 2010-23, which requires a company in the healthcare industry to use its direct and indirect costs of providing charity care as the measurement basis for charity care disclosures. This ASU also requires additional disclosures of the method used to determine such costs. The Corporation adopted this ASU on April 1, 2011. In the ordinary course of business, the Corporation renders services to patients who are financially unable to pay for hospital care. Included in the provision for contractual allowances is the value (at the Corporation's standard charges) of these services to patients who are unable to pay that is eliminated from net operating revenues when it is determined they qualify under the Corporation's charity care policy.

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.

**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, 2012 and 2011, 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, 2012 and 2011. 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 2012 and 2011, respectively, the hedge resulted in additional interest expense of approximately \$1,228,000 and \$1,209,000. The Corporation expects additional interest expense of \$1,156,000 during the year-ended March 31, 2013.

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 \$29,235,000 and \$29,495,000 as of March 31, 2012 and 2011, respectively. The Series 2008 bonds had an outstanding balance of \$52,270,000 and \$54,065,000 as of March 31, 2012 and 2011, respectively.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 2 - HEDGING ACTIVITIES** (Continued)

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 2012 and 2011, respectively, the hedge resulted in a reduction of interest expense of approximately \$1,093,000 and \$1,060,000.

The Corporation expects \$1,088,000 of the unrealized loss to be reclassified out of unrestricted net assets as a decrease to interest expense during the year-ended March 31, 2013.

The interest rate swap contracts had a combined fair value of \$(14,291,000) and \$(5,796,000) as of March 31, 2012 and 2011, respectively. The change in the fair value of these contracts resulted in a net loss of \$8,496,000 and \$1,577,000 for the years ended March 31, 2012 and 2011, respectively. The change in the fair value of the ineffective hedge (RBC) was recognized as a debit to interest expense of \$4,746,000 and \$987,000 in the consolidated statements of operations for the years ended March 31, 2012 and 2011, respectively. The change in the fair value of the Morgan Stanley contract was recorded as a \$3,750,000 and \$589,000 decrease of unrestricted net assets in the consolidated statement of changes in net assets during 2012 and 2011, 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.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 3 - NET PATIENT SERVICE REVENUE** (Continued)

The laws and regulations governing the Medicare program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2012 and 2011 net patient service revenue increased by approximately \$710,000 and 1,815,000, respectively, due to removal of allowances previously estimated that are no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews, and investigations.

*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 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, for the years ended March 31, 2012 and 2011, and a liability of \$3,601,000 and \$3,601,000 for the years ended March 31, 2012 and 2011, respectively. Total reimbursement revenue recognized by the Corporation related to this Program amounted to \$14,404,455 during the Corporation's years ended March 31, 2012 and 2011 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 during the Corporation's years ended March 31, 2012 and 2011 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, 2012 and 2011 is as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Gross patient service revenue (after charity care)	\$ 1,057,367	\$ 941,999
Less contractual allowances	<u>639,853</u>	<u>551,313</u>
	<u>\$ 417,514</u>	<u>\$ 390,686</u>

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(Continued)



SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 3 - NET PATIENT SERVICE REVENUE** (Continued)

The Corporation maintains records to identify and monitor the level of charity care it provides. Of the Corporation's \$382 million of total expenses, an estimated \$11 million arose and \$12 million, for the years ended March 31, 2012 and 2011, respectively, from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Corporation's total expenses (less bad debt expense) divided by gross patient service revenue.

The Corporation adopted FASB ASU 2011-07, which requires healthcare organizations that perform services for patients for which the ultimate collection of all or a portion of the amounts billed or billable cannot be determined at the time services are rendered to present all bad debt expense associated with patient service revenue as an offset to the patient service revenue line item in the statement of operations. The Corporation's provision for bad debts are presented as a reduction of patient service revenue after contractual adjustments and discounts. The changes in net revenue years ended March 31, 2012 and 2011 are as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Net patient service revenue (net of contractual allowances and discounts)	\$ 417,514	\$ 390,686
Provision for bad debts	<u>(37,865)</u>	<u>(27,466)</u>
Net operating revenues, less provision for bad debts	<u>\$ 379,649</u>	<u>\$ 363,220</u>

**NOTE 4 - PATIENT RECEIVABLES**

Patient receivables at March 31, 2012 and 2011 are as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Patient receivables	\$ 292,134	\$ 160,977
Less allowance for doubtful accounts	(40,593)	(26,659)
Less unapplied third party payments and allowances for estimated contractual adjustments	<u>(166,238)</u>	<u>(64,838)</u>
	<u>\$ 85,303</u>	<u>\$ 69,480</u>

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 5 - NOTES RECEIVABLE**

Notes receivable bearing interest at various rates at March 31, 2012 and 2011 are as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Physician advances	\$ 1,128	\$ 1,091
Other miscellaneous receivables	<u>325</u>	<u>81</u>
	1,453	1,172
Less current portion	<u>314</u>	<u>142</u>
Long-term portion	<u>\$ 1,139</u>	<u>\$ 1,030</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 is as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Project fund - long-term	\$ 17	\$ 10,590
Principal and interest fund	<u>17</u>	<u>47</u>
	<u>\$ 34</u>	<u>\$ 10,637</u>

Board designated funds for expansion, replacement and major repairs of property and equipment at March 31, 2012 and 2011 are as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Cash	\$ -	\$ -
Certificates of deposit, money market accounts, mutual funds, repurchase agreements, commercial paper and bonds and U S government obligations	<u>277,985</u>	<u>280,494</u>
	<u>\$ 277,985</u>	<u>\$ 280,494</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 \$15,304,000 and \$12,265,000 at March 31, 2012 and 2011, respectively

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 6 - INVESTMENTS AND ASSETS WHOSE USE IS LIMITED (Continued)**

The composition of investments and assets whose use is limited as of March 31, 2012 and 2011 are set forth in the following table (\$ in thousands) Investments are stated at fair value

	<u>2012</u>	<u>2011</u>
Cash, certificates of deposit, money market funds	\$ 3,579	\$ 19,067
U S government securities	7,243	17,676
Exchange traded funds	1,187	-
Common stocks	31,012	14,861
Mutual funds	192,160	210,878
Corporate bonds	57,111	39,863
Accrued interest	<u>1,014</u>	<u>1,049</u>
	<u>\$ 293,306</u>	<u>\$ 303,349</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, 2012 and 2011 are as follows

	<u>2012</u>	<u>2011</u>
Gross unrealized gain on investments	\$ 24,991	\$ 31,616
Gross unrealized (losses) on investments	<u>(287)</u>	<u>(1,270)</u>
	<u>\$ 24,704</u>	<u>\$ 30,346</u>

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, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 8,872	\$ 8,867
Net realized gains (losses) on sale of investments	394	13,833
Reclassification of net unrealized gains on securities transferred to the trading category	-	17,722
Change in net unrealized gains (losses) on investments	<u>(5,577)</u>	<u>12,624</u>
	<u>\$ 3,689</u>	<u>\$ 53,046</u>

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 6 - INVESTMENTS AND ASSETS WHOSE USE IS LIMITED (Continued)**

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

	<u>2012</u>	<u>2011</u>
Nonoperating gains		
Investment income and net realized gains from board designated funds	\$ 9,266	\$ 22,700
Reclassification of net unrealized gains on securities transferred to the trading category	-	17,722
Change in net unrealized gains on investments	<u>(5,577)</u>	<u>12,624</u>
	<u>\$ 3,689</u>	<u>\$ 53,046</u>

**NOTE 7 - PROPERTY AND EQUIPMENT**

Property and equipment at March 31, 2012 and 2011 are as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Buildings	\$ 112,809	\$ 105,307
Building equipment	88,092	84,597
Departmental equipment	141,578	127,207
Land and leasehold improvements	<u>12,103</u>	<u>11,765</u>
	354,582	328,876
Less accumulated depreciation	<u>192,603</u>	<u>170,959</u>
	161,979	157,917
Land	9,236	7,942
Construction-in-progress	<u>4,476</u>	<u>3,276</u>
	<u>\$ 175,691</u>	<u>\$ 169,135</u>

Construction-in-progress represents amounts expended at March 31, 2012 and 2011 for on-going projects at Memorial Hospital, Herrin Hospital, St Joseph Memorial Hospital and at the Corporate Division. The significant projects at Memorial Hospital are the hospital surgery expansion and power plant. At Herrin Hospital, the significant project is the lower level air handler. The significant project at St Joseph Memorial Hospital is the wound center. At the Corporate Division mall expansion plus hardware and software upgrades and consultation for other projects are ongoing. These projects will be funded through operations. The projects in progress at March 31, 2012 are expected to be completed in fiscal 2013 and 2014. The estimated total costs-to-complete construction projects in progress at March 31, 2012 are approximately \$12,314,000.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
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**NOTE 8 - LONG-TERM DEBT**

Long-term debt as of March 31, 2012 and 2011 is as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
<u>Hospital revenue bonds</u>		
Series 1998A serial bonds, with interest at 5.375% per annum, principal paid in full as of October 2011	\$ -	\$ 4,690
Series 1998A term bonds, with interest at 5.00% payable semiannually, principal paid in full as of October 2011	-	7,200
Series 1998A term bonds with interest at 5.00% payable semiannually, principal paid in full as of October 2011	-	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, 2012 and 2011, respectively, with annual payments in 2011 through 2038	52,270	54,065
Series 2011, serial bonds, with interest at 1.86% at March 31, 2012 with annual payments in 2012 through 2015	7,747	-
Series 2011, serial bonds, with interest at 2.51% at March 31, 2012 with annual payments in 2016 through 2020	5,390	-
Line of credit, with interest of LIBOR +3%, secured by all of PSC's assets	213	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	179	268
Note payable, with fixed interest of 3.35%, due in monthly installments of \$2,062 including interest, final installment due October 15, 2014, secured by all of PSC's assets	64	-
	<u>134,863</u>	<u>138,863</u>
Less current portion	<u>3,395</u>	<u>3,104</u>
Long-term portion	<u>\$ 131,468</u>	<u>\$ 135,759</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**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. During 2012, these bonds were retired by the proceeds from the Series 2011 Bonds.

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.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 8 - LONG-TERM DEBT** (Continued)

The Authority issued \$14,420,000 of Series 2011 Revenue Refunding Bonds (Series 2011 Bonds) The Corporation borrowed the exempt bonds pursuant to a bond trust indenture between the Authority and Wells Fargo Bank, N A , as bond trustee The proceeds of the Series 2011 Bonds were issued to retire interest and principal payments of all previously outstanding Series 1998 Bonds During 2012, the Corporation recorded a loss of \$216,000 related to the write-down of debt issuance costs for its Series 1998 Bonds The loss is recorded in other operating revenue within the consolidated statement of operations

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

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 JP Morgan Chase Bank 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 letter-of credit expires on November 16, 2016 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, 2012, the aggregate annual maturities of long-term debt are as follows (\$ in thousands)

<u>Year Ending March 31,</u>	<u>Amount</u>
2013	\$ 3,395
2014	3,163
2015	3,215
2016	3,335
2017	3,480
Thereafter	<u>118,275</u>
	<u>\$ 134,863</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, 2012, the Corporation was in compliance with these covenants

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 8 - LONG-TERM DEBT** (Continued)

The Corporation has guaranteed 20% of an SIOC bank loan. The outstanding guaranteed amount was approximately \$456,449 and \$474,419 as of March 31, 2012 and 2011, respectively.

The Corporation has a credit card account with a bank with a credit limit of \$7,000,000. As of March 31, 2012, approximately \$1,195,000 had been drawn on the credit card account.

The Corporation has a line of credit from a bank with a credit limit of \$4,000,000. The balance of the line of credit was \$0 for each of the years ended March 31, 2012 and 2011.

The Corporation's letter of credit expires on November 16, 2016. The letter of credit supports the 2008 bonds and the remarketing efforts necessary for those bonds, should they be needed. The estimated date for this to occur is on or about November 17, 2016. Per the terms of the Reimbursement Agreement, the first repayment on the letter of credit will not be due until 365 days after November 17, 2016. 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, 2012.

PSC has a line-of-credit from a bank with a credit limit of \$250,000, expiring May 30, 2012. The balance of the line of credit was \$213,889 and \$250,000 for each of the years ended March 31, 2012 and 2011, respectively.

**NOTE 9 - GOODWILL**

Goodwill consists of the following at March 31, 2012 and 2011 (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Beginning balance	\$ 877	\$ 877
Acquisitions	10,615	-
Adjustments to acquired goodwill	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 11,492</u>	<u>\$ 877</u>

**NOTE 10 - 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 statements.

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.

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(Continued)



SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 10 - COMMITMENTS AND CONTINGENCIES** (Continued)

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.

For policy periods April 1, 2006 to April 1, 2012, this excess insurance policy was fully reinsured with an unrelated insurer based in the United States of America. The Corporation estimates that of its outstanding liability, approximately \$5,014,000 and \$3,972,000 can be claimed from its reinsurers, as of March 31, 2012 and 2011, respectively. In the event that the reinsurers are unable to meet their obligation under the reinsurance agreements, The Corporation would still be liable to pay losses and would only receive reimbursement to the extent that the reinsurers can meet their obligations. The Corporation has recorded a receivable in other assets for amounts estimated to be recoverable from its reinsurers.

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 1.0% and 2.5% for the years ended March 31, 2012 and 2011, respectively. 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 \$3,820,000 and \$3,593,000 for claims incurred but not reported (IBNR) related to claims occurring subsequent to January 1, 2005 which were not reported as of March 31, 2012 and 2011, respectively. The Corporation has recorded liabilities for SIMS of approximately \$1,536,000 and \$1,344,000 for claims incurred but not reported (IBNR) related to claims occurring subsequent to January 15, 2007 which were not reported as of March 31, 2012 and 2011, respectively. These liabilities are included in medical professional liabilities on the consolidated balance sheets as of March 31, 2012 and 2011. Self-insured professional and general liability expense of approximately \$4,770,000 in 2012 and \$4,709,000 in 2011 has been included within insurance expense in the accompanying consolidated statements of operations.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)**

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, 2012 and then renewed through January 1, 2013, 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, 2012, and then renewed through July 1, 2013, with a limit of \$1,000,000 for each and every claim with a \$25 million policy aggregate for physicians and surgeons' liability A separate policy provides coverage for Hospitalists for the period from January 1, 2011 to January 1, 2012, and then renewed through January 1, 2013, with a limit of \$1,000,000 for each and every claim with an \$18 million policy aggregate for physicians and surgeons' liability

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, 2012 and 2011 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, 2012 and 2011, was approximately \$23,233,000 and \$21,561,000, respectively The expense related to claims paid and accrued for dental insurance claims, recognized for the years ended March 31, 2012 and 2011, was approximately \$730,000 and \$1,101,000, respectively

At March 31, 2012, 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>
2013	\$ 1,665
2014	1,326
2015	586
2016	85
2017	<u>15</u>
	<u>\$ 3,677</u>

Total rent and lease expense for the years ended March 31, 2012 and 2011 was approximately \$2,274,000 and \$2,262,000, 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

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)**

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 11 - 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 \$4,445,000 and \$4,125,000, for the years ended March 31, 2012 and 2011, 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, 2011 and 2010, respectively, the Corporation contributed approximately \$778,000 and \$772,000 to the Plan.

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 \$247,000 and \$240,000 for 2012 and 2011, respectively.

**NOTE 12 - 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 \$563,000 and \$517,000 for the years ended March 31, 2012 and 2011, 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.

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 13 - 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, 2012 and 2011 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, 2012 and 2011 was approximately \$141,796,000 and \$136,140,000.

**NOTE 14 - 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:

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. The fair values of U.S. Government securities and corporate debt obligations are determined by matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (market approach valuation technique)

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:

Exchange Traded Funds The fair values of exchange traded hedge funds are based upon quoted market prices (Level 1 inputs)

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

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**NOTE 14 - FAIR VALUE MEASUREMENTS (Continued)**

Mutual Funds The fair values of mutual fund investments are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs)

Common Stock The fair values of common stocks are determined by obtaining quoted prices from a nationally recognized exchange (Level 1 inputs)

Corporate Bonds The fair value of corporate bonds is estimated using various techniques, which may consider recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer, and credit default swap spreads adjusted for any basis difference between cash and derivative instruments

While most corporate bonds are categorized in Level 2 of the fair value hierarchy, in instances where lower relative weight is placed on transaction prices, quotations, or similar observable inputs, they are categorized in Level 3

U S Government Securities U S government securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data Certain securities are valued principally using dealer quotations U S government securities are categorized in Level 1 or Level 2 of the fair value hierarchy depending on the inputs used and market activity levels for specific securities

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

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(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

**NOTE 14 - FAIR VALUE MEASUREMENTS** (Continued)

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, 2012 and 2011, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value

	March 31, <u>2012</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> )
<b>Assets</b>				
Investments				
US government securities	\$ 7,243	\$ -	\$ 7,243	\$ -
Exchange traded funds	1,187	1,187	-	-
Common stocks				
Domestic	14,419	14,419	-	-
International	6,256	6,256	-	-
Emerging markets	121	121	-	-
Real estate	9,799	9,799	-	-
Commodities	417	417	-	-
Mutual funds				
Equity mutual funds	132,864	132,864	-	-
Debt mutual funds	59,296	59,296	-	-
Corporate bonds	<u>57,111</u>	<u>-</u>	<u>57,111</u>	<u>-</u>
	<u>\$ 288,713</u>	<u>\$ 224,359</u>	<u>\$ 64,354</u>	<u>\$ -</u>
<b>Liabilities</b>				
Interest rate swap contracts	<u>\$ 14,291</u>	<u>\$ -</u>	<u>\$ 14,291</u>	<u>\$ -</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2012 and 2011

**NOTE 14 - FAIR VALUE MEASUREMENTS** (Continued)

	March 31, <u>2011</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> )
<b>Assets</b>				
Investments				
US government securities	\$ 17,676	\$ 1,540	\$ 16,136	\$ -
Common stocks				
Domestic	5,200	5,200	-	-
International	18	18	-	-
Emerging markets	240	240	-	-
Real estate	9,403	9,403	-	-
Mutual funds				
Equity mutual funds	144,835	144,835	-	-
Debt mutual funds	66,043	66,043	-	-
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>
<b>Liabilities</b>				
Interest rate swap contracts	<u>\$ 5,796</u>	<u>\$ -</u>	<u>\$ 5,796</u>	<u>\$ -</u>

**NOTE 15 - 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, 2012 and 2011 was as follows:

	<u>Gross Patient Service Revenue</u>		<u>Patient Receivables</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Medicare	44%	43%	15%	23%
Medicaid	18	19	46	16
Other third-party payors	33	34	15	41
Patients	<u>5</u>	<u>4</u>	<u>24</u>	<u>20</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

At March 31, 2012 and 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, 2012 and 2011

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**NOTE 16 - 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, 2012 and 2011, these expenses are as follows (\$ in thousands)

	<u>2012</u>	<u>2011</u>
Health care services	\$ 321,370	\$ 302,851
General and administrative	59,962	50,225
Fundraising	<u>416</u>	<u>439</u>
	<u>\$ 381,748</u>	<u>\$ 353,515</u>

**NOTE 17 - SUBSEQUENT EVENTS**

Management has performed an analysis of the activities and transactions subsequent to March 31, 2012, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended March 31, 2012. Management has performed their analysis through July 18, 2012, the date the financial statements were issued.



**SUPPLEMENTARY INFORMATION**

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATING BALANCE SHEET  
March 31, 2012  
(\$ 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	SIH Foundation	Quality Health Partners LLC	Elimination	Total
<b>ASSETS</b>												
Current assets												
Cash and cash equivalents	\$ 1,108	\$ 563	\$ 2,278	\$ 97	\$ 4,046	\$ 1,230	\$ 1,258	\$ 141	\$ 82	\$ 370	\$ -	\$ 7,127
Assets whose use is limited by trust agreement	4	10	3	-	17	-	-	-	-	-	-	17
Accounts receivable												
Patient, net	46,852	20,194	10,102	-	77,148	7,221	-	934	-	-	-	85,303
Affiliates	-	-	-	4,655	4,655	23	-	-	3	202	(4,837)	46
Supplies	3,344	1,172	573	1,149	6,238	48	-	219	-	-	-	6,505
Prepaid expenses	1,782	646	131	2,060	4,619	1,028	12	34	-	-	-	5,693
Current portion of notes receivable	110	161	20	23	314	-	-	-	-	-	-	314
Other	1,970	146	62	1,396	3,574	116	-	-	-	-	-	3,690
Total current assets	<u>55,170</u>	<u>22,892</u>	<u>13,169</u>	<u>9,380</u>	<u>100,611</u>	<u>9,666</u>	<u>1,270</u>	<u>1,328</u>	<u>85</u>	<u>572</u>	<u>(4,837)</u>	<u>108,695</u>
Assets whose use is limited by Board designation for capital improvements												
	183,470	72,276	16,679	5,560	277,985	-	-	-	-	-	-	277,985
Board designation for self-insurance	-	-	-	-	-	-	15,304	-	-	-	-	15,304
Trust agreement	17	-	-	-	17	-	-	-	-	-	-	17
	<u>183,487</u>	<u>72,276</u>	<u>16,679</u>	<u>5,560</u>	<u>278,002</u>	<u>-</u>	<u>15,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,306</u>
Property and equipment, net	<u>70,325</u>	<u>53,473</u>	<u>16,810</u>	<u>21,195</u>	<u>161,803</u>	<u>13,383</u>	<u>-</u>	<u>505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,691</u>
Other assets												
Unamortized bond costs, net	2,642	1,472	337	-	4,451	-	-	-	-	-	-	4,451
Investments in joint ventures	2,105	1	-	1,177	3,283	-	-	-	-	-	(1,177)	2,106
Notes receivable, less current portion	443	506	20	38	1,007	132	-	-	-	-	-	1,139
Goodwill	-	-	-	-	-	10,615	-	877	-	-	-	11,492
Other	111	232	85	2,059	2,487	338	5,014	-	-	-	-	7,839
	<u>5,301</u>	<u>2,211</u>	<u>442</u>	<u>3,274</u>	<u>11,228</u>	<u>11,085</u>	<u>5,014</u>	<u>877</u>	<u>-</u>	<u>-</u>	<u>(1,177)</u>	<u>27,027</u>
Total assets	<u>\$ 314,283</u>	<u>\$ 150,852</u>	<u>\$ 47,100</u>	<u>\$ 39,409</u>	<u>\$ 551,644</u>	<u>\$ 34,134</u>	<u>\$ 21,588</u>	<u>\$ 2,710</u>	<u>\$ 85</u>	<u>\$ 572</u>	<u>\$ (6,014)</u>	<u>\$ 604,719</u>

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATING BALANCE SHEET  
March 31, 2012  
(\$ 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	SIH Foundation	Quality Health Partners LLC	Elimination	Total
<b>LIABILITIES AND NET ASSETS</b>												
Current liabilities												
Current maturities of long-term debt	\$ 2,100	\$ 758	\$ 203	\$ -	\$ 3,061	\$ -	\$ -	\$ 334	\$ -	\$ -	\$ -	\$ 3,395
Current maturities of interest rate swap contracts	1,247	768	191	-	2,206	-	-	-	-	-	-	2,206
Accounts payable												
Construction contracts	20	36	18	-	74	54	-	-	-	-	-	128
Trade	6,780	2,956	1,137	5,251	16,124	1,646	65	217	-	-	-	18,052
Affiliates	-	-	-	3	3	4,515	128	33	-	158	(4,837)	-
Estimated third-party payor settlements	6,016	4,643	666	-	11,325	-	-	373	-	-	-	11,698
Accrued liabilities												
Payroll and related expenses	6,657	4,024	1,551	3,554	15,786	3,750	-	53	-	-	-	19,589
Other	5,300	1,195	385	1,865	8,745	766	-	1	-	-	-	9,512
Total current liabilities	<u>28,120</u>	<u>14,380</u>	<u>4,151</u>	<u>10,673</u>	<u>57,324</u>	<u>10,731</u>	<u>193</u>	<u>1,011</u>	<u>-</u>	<u>158</u>	<u>(4,837)</u>	<u>64,580</u>
Long-term debt, less current maturities	76,953	43,911	10,481	-	131,345	-	-	123	-	-	-	131,468
Interest rate swap contracts, less current maturities	6,997	4,131	957	-	12,085	-	-	-	-	-	-	12,085
Medical professional liabilities	2,178	1,165	478	-	3,821	1,536	21,263	-	-	-	-	26,620
Other	141	161	38	251	591	97	-	-	-	-	-	688
Total liabilities	<u>114,389</u>	<u>63,748</u>	<u>16,105</u>	<u>10,924</u>	<u>205,166</u>	<u>12,364</u>	<u>21,456</u>	<u>1,134</u>	<u>-</u>	<u>158</u>	<u>(4,837)</u>	<u>235,441</u>
Net assets												
Common stock	-	-	-	-	-	-	120	1,100	-	-	(1,220)	-
SIHS unrestricted	199,888	87,104	30,993	27,985	345,970	21,770	12	(223)	8	414	43	367,994
Non-controlling interest	-	-	-	-	-	-	-	699	-	-	-	699
Total unrestricted	<u>199,888</u>	<u>87,104</u>	<u>30,993</u>	<u>27,985</u>	<u>345,970</u>	<u>21,770</u>	<u>132</u>	<u>1,576</u>	<u>8</u>	<u>414</u>	<u>(1,177)</u>	<u>368,693</u>
Temporarily restricted	6	-	2	500	508	-	-	-	77	-	-	585
Total net assets	<u>199,894</u>	<u>87,104</u>	<u>30,995</u>	<u>28,485</u>	<u>346,478</u>	<u>21,770</u>	<u>132</u>	<u>1,576</u>	<u>85</u>	<u>414</u>	<u>(1,177)</u>	<u>369,278</u>
Total liabilities and net assets	<u>\$ 314,283</u>	<u>\$ 150,852</u>	<u>\$ 47,100</u>	<u>\$ 39,409</u>	<u>\$ 551,644</u>	<u>\$ 34,134</u>	<u>\$ 21,588</u>	<u>\$ 2,710</u>	<u>\$ 85</u>	<u>\$ 572</u>	<u>\$ (6,014)</u>	<u>\$ 604,719</u>

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
<b>ASSETS</b>										
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	6,963	3,627	-	-	10,590	-	-	-	-	10,590
	<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
Goodwill	-	-	-	-	-	-	-	873	-	873
Other	94	219	79	1,880	2,272	166	3,973	-	-	6,411
	<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
<b>LIABILITIES AND NET ASSETS</b>										
<b>Current liabilities</b>										
Current maturities of long-term debt	\$ 1,887	\$ 714	\$ 164	\$ -	\$ 2,765	\$ -	\$ -	\$ 339	\$ -	\$ 3,104
Current maturities of interest rate swap contracts	1,344	828	206	-	2,378	-	-	-	-	2,378
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>26,040</u>	<u>11,140</u>	<u>3,931</u>	<u>10,636</u>	<u>51,747</u>	<u>4,984</u>	<u>265</u>	<u>867</u>	<u>(2,256)</u>	<u>55,607</u>
Long-term debt, less current maturities	78,883	48,150	8,547	-	135,580	-	-	179	-	135,759
Interest rate swap contract	2,020	1,253	145	-	3,418	-	-	-	-	3,418
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>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>
<b>Net assets</b>										
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	209,978	91,749	30,511	25,346	357,584	5,053	132	1,319	(1,205)	362,883
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 STATEMENT OF OPERATIONS  
Year-ended March 31, 2012  
(\$ 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	SIH Foundation	Quality Health Partners LLC	Elimination	Total
Gross patient revenue	\$ 539,069	\$ 308,458	\$ 107,031	\$ -	\$ 954,558	\$ 90,272	\$ -	\$ 12,537	\$ -	\$ -	\$ -	\$ 1,057,367
Contractual allowances	326,327	196,544	57,717	-	580,588	50,642	-	8,623	-	-	-	639,853
Provision for (recovery of) bad debts	15,959	11,115	4,839	(5)	31,908	5,827	-	130	-	-	-	37,865
Net patient service revenue	196,783	100,799	44,475	(5)	342,062	33,803	-	3,784	-	-	-	379,649
Other operating revenue	1,620	324	162	870	2,976	1,877	5,395	-	-	205	(5,515)	4,938
Net assets released from restriction	-	112	-	193	305	-	-	-	-	-	-	305
Corporate allocation	675	277	112	(1,064)	-	-	-	-	-	-	-	-
Total revenue	199,078	101,512	44,749	4	345,343	35,680	5,395	3,784	-	205	(5,515)	384,892
Expenses												
Salaries	52,714	32,688	12,140	20,760	118,302	27,145	-	738	-	-	-	146,185
Employee benefits	18,404	11,134	3,770	5,111	38,419	4,762	-	202	-	-	-	43,383
Physicians' fees	11,334	6,275	1,574	28	19,211	5,828	-	-	-	40	-	25,079
Professional fees	3,677	2,496	1,823	4,910	12,906	4,403	109	217	-	1,236	-	18,871
Purchased services	4,061	2,345	602	4,553	11,561	393	-	397	-	1	(34)	12,318
Patient chargeable supplies	28,839	7,041	1,289	-	37,169	83	-	-	-	-	-	37,252
Patient non-chargeable supplies	7,632	3,820	1,060	1	12,513	158	-	-	-	-	-	12,671
Drugs and pharmaceuticals	3,162	3,898	4,303	-	11,363	794	-	1,239	-	-	-	13,396
Other supplies and expense	4,046	2,357	589	8	7,000	258	-	84	-	13	-	7,355
Rent expense	705	381	256	566	1,908	1,148	-	161	-	-	(944)	2,273
Repairs and maintenance	3,026	1,167	562	5,059	9,814	136	-	33	-	-	-	9,983
Insurance	4,922	2,374	960	362	8,618	2,602	5,392	49	-	-	(4,770)	11,891
Miscellaneous expense	6,094	2,365	734	3,517	12,710	(9,724)	51	85	-	1	233	3,356
Interest and amortization	4,568	2,398	502	9	7,477	-	-	31	-	-	-	7,508
Depreciation	9,118	5,615	2,228	7,371	24,332	894	-	255	-	-	-	25,481
Corporate allocation	33,179	13,585	5,486	(52,250)	-	-	-	-	-	-	-	-
Non-cash interest (income) expense associated with interest rate swap contract	3,061	1,476	209	-	4,746	-	-	-	-	-	-	4,746
Total expense	198,542	101,415	38,087	5	338,049	38,880	5,552	3,491	-	1,291	(5,515)	381,748
Income from operations	536	97	6,662	(1)	7,294	(3,200)	(157)	293	-	(1,086)	-	3,144

(Continued)

SOUTHERN ILLINOIS HOSPITAL SERVICES  
CONSOLIDATING STATEMENT OF OPERATIONS  
Year-ended March 31, 2012  
(\$ 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	SIH Foundation	Quality Health Partners LLC	Elimination	Total
Non-operating gains (losses)												
Unrestricted gifts and interest income	\$ 802	\$ 147	\$ 200	\$ 16	\$ 1,165	\$ -	\$ -	\$ 11	\$ 8	\$ -	\$ -	\$ 1,184
Investment income and net gains from board designated funds	6,024	2,373	548	183	9,128	-	138	-	-	-	-	9,266
Change in net unrealized gain from board designated funds	(3,693)	(1,455)	(336)	(112)	(5,596)	-	19	-	-	-	-	(5,577)
Equity earning of joint venture	1,047	565	-	-	1,612	-	-	-	-	-	-	1,612
Other	(96)	(80)	(23)	(9)	(208)	(21)	-	(134)	-	-	-	(363)
Corporate allocation	49	20	8	(77)	-	-	-	-	-	-	-	-
	<u>4,133</u>	<u>1,570</u>	<u>397</u>	<u>1</u>	<u>6,101</u>	<u>(21)</u>	<u>157</u>	<u>(123)</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>6,122</u>
Excess (deficiency) of revenues over expenses	<u>4,669</u>	<u>1,667</u>	<u>7,059</u>	<u>-</u>	<u>13,395</u>	<u>(3,221)</u>	<u>-</u>	<u>170</u>	<u>8</u>	<u>(1,086)</u>	<u>-</u>	<u>9,266</u>
Corporate allocation	4	2	1	(7)	-	-	-	-	-	-	-	-
Contributions	59	109	9	7	184	-	-	-	-	-	-	184
Contributions to affiliate	(12,998)	(5,081)	(5,060)	23,139	-	-	-	-	-	-	-	-
Change in fair value of interest rate swap	(1,820)	(1,343)	(588)	-	(3,751)	-	-	-	-	-	-	(3,751)
Increase (decrease) in unrestricted net assets	<u>\$ (10,086)</u>	<u>\$ (4,646)</u>	<u>\$ 1,421</u>	<u>\$ 23,139</u>	<u>\$ 9,828</u>	<u>\$ (3,221)</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 8</u>	<u>\$ (1,086)</u>	<u>\$ -</u>	<u>\$ 5,699</u>

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	Elimi- nations	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
Provision for (recovery of) bad debts	9,790	8,340	3,029	(5)	21,154	6,192	-	120	-	27,466
Net patient service revenue	203,013	96,609	36,669	5	336,296	24,098	-	2,826	-	363,220
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	205,515	97,289	36,938	5	339,747	25,459	3,254	2,827	(5,032)	366,255
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
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
Purchased services	3,547	2,854	591	4,305	11,297	179	-	118	(19)	11,575
Patient chargeable supplies	29,267	6,852	1,009	-	37,128	47	-	-	-	37,175
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
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
Repairs and maintenance	2,984	1,362	494	4,406	9,246	63	-	33	-	9,342
Insurance	5,233	2,207	897	349	8,686	2,041	3,606	62	(4,709)	9,686
Miscellaneous expense	6,277	2,792	784	3,523	13,376	(9,455)	70	76	344	4,411
Interest and amortization	4,781	2,370	418	19	7,588	-	-	32	-	7,620
Depreciation	9,018	4,710	2,080	6,530	22,338	705	-	246	-	23,289
Corporate allocation	30,314	12,412	5,012	(47,738)	-	-	-	-	-	-
Non-cash interest expense associated with interest rate swap contract	637	307	43	-	987	-	-	-	-	987
Total expense	192,771	95,752	34,183	5	322,711	29,060	3,785	2,988	(5,032)	353,515
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	Corporate	SIHS Subtotal	Southern Illinois Medical Services, NFP	SIH Cayman SPC Group, Ltd	Physicians' Surgery Center, LLC	Elimi- nations	Total
Nonoperating gains (losses)										
Unrestricted gifts and interest income	\$ 507	\$ 83	\$ 109	\$ 19	\$ 718	\$ 3	\$ -	\$ 8	\$ -	\$ 729
Investment income and net gains from board designated funds	14,631	5,764	1,335	439	22,169	-	531	-	-	22,700
Reclassification of net unrealized gains on securities transferred to trading securities (Note 1)	-	-	-	17,722	17,722	-	-	-	-	17,722
Change in net unrealized gains on investments	8,487	3,344	772	257	12,860	-	(236)	-	-	12,624
Equity earning of joint venture	2,953	516	-	-	3,469	-	-	-	-	3,469
Other	(72)	(12)	(55)	2	(137)	(5)	-	(176)	-	(318)
Corporate allocation	<u>456</u>	<u>186</u>	<u>75</u>	<u>(717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>26,962</u>	<u>9,881</u>	<u>2,236</u>	<u>17,722</u>	<u>56,801</u>	<u>(2)</u>	<u>295</u>	<u>(168)</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>17,722</u>	<u>73,837</u>	<u>(3,603)</u>	<u>(236)</u>	<u>(332)</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)	-	-	-	-	(17,722)
Contributions	341	13	58	8	420	-	-	-	-	420
Contributions to affiliate	(12,618)	9,142	146	3,330	-	-	-	-	-	-
Change in fair value of interest rate swap	<u>(274)</u>	<u>(262)</u>	<u>(53)</u>	<u>-</u>	<u>(589)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(589)</u>
Increase (decrease) in unrestricted net assets	<u>\$ 27,160</u>	<u>\$ 20,313</u>	<u>\$ 5,143</u>	<u>\$ 3,330</u>	<u>\$ 55,946</u>	<u>\$ (3,603)</u>	<u>\$ (236)</u>	<u>\$ (332)</u>	<u>\$ -</u>	<u>\$ 51,775</u>

**Additional Data**

**Software ID:** 11000230  
**Software Version:** v2011.1.0  
**EIN:** 37-0618939  
**Name:** SOUTHERN ILLINOIS HOSPITAL SERVICES

**Form 990, Special Condition Description:**

**Special Condition Description**

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MARLENE SIMPSON SECRETARY	2 00	X		X			400	0	0	
PHIL NORDSTROM CHAIR	2 00	X		X			450	0	0	
REX BUDDE PRESIDENT/CEO	35 00	X		X			503,464	0	239,332	
STEVE SABENS VICE CHAIR	2 00	X		X			350	0	0	
ANAD SALEM MD TRUSTEE	2 00	X					2,783	44,227	0	
DEBRA MCMORROW TRUSTEE	2 00	X					100	0	0	
DR TERRENCE GLENNON TRUSTEE	2 00	X					3,300	358,654	56,807	
EUGENE BASANTA TRUSTEE	2 00	X					300	0	0	
GEORGE O'NEILL TRUSTEE	2 00	X					350	0	0	
HAROLD BARDO TRUSTEE	2 00	X					450	0	0	
JEFFREY PARKS TRUSTEE, PARTIAL YEAR	2 00	X					1,740	0	0	
KATHLEEN FRALISH TRUSTEE	2 00	X					0	0	0	
MARSHA RYAN MD TRUSTEE	2 00	X					14,207	0	0	
MORTON LEVINE TRUSTEE	2 00	X					0	0	0	
RUSSELL BROWN DO TRUSTEE, PARTIAL YEAR	2 00	X					150	0	0	
BECKY ASHTON VP/ADMINISTRATOR, PARTIAL YEAR	40 00			X			369,045	0	92,352	
DAVID HOLLAND VP/INFO SYSTEMS	32 00			X			293,591	0	101,579	
JAMES MILLER MD CMO	28 00			X			397,538	0	49,127	
JOHN B MILLSTEAD VP/ADMINISTRATOR	40 00			X			404,389	0	160,506	
JULIE FIRMAN VP/CNO	40 00			X			193,196	0	92,783	
MIKE KASSER VP/CFO/TREASURER	29 00			X			300,355	0	129,174	
PAM HENDERSON VP/HR	36 00			X			252,556	0	75,463	
PHILIP SCHAEFER VP/AMBULATORY SERVICES	10 00			X			352,293	0	153,005	
SCOTT SEABORN VP/ADMINISTRATOR	40 00			X			331,181	0	118,181	
TERENCE FARRELL VP/ADMINISTRATOR	40 00			X			65,722	0	4,383	

**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			
WILLIAM SHERWOOD VP/GENERAL COUNSEL	29 00			X				267,818	0	168,029
WILLIAM THORNE VP/COMMUNITY BENEFITS	30 00			X				169,974	0	94,639
BRIAN LANCE PHARMACIST	40 00					X		177,749	0	33,086
LEE ANN JONES DIRECTOR OF NURSING	40 00					X		171,448	0	7,922
RICHARD BOREN CRNA	40 00					X		180,322	0	46,694
THOMAS HENTIRCH PHARMACIST	40 00					X		172,587	0	43,752
WAYNE CORZINE PFS DIRECTOR, PARTIAL YEAR	40 00					X		192,871	0	39,841