

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission

BELL HOSPITAL'S MISSION IS TO IMPROVE THE LIVES OF EVERYONE WE TOUCH

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 34,126,768 including grants of \$) (Revenue \$ 40,925,000)

EXPENSES WERE INCURRED IN PROVIDING HEALTHCARE SERVICES TO THE RESIDENTS OF ISHPEMING, MICHIGAN AND SURROUNDING AREAS IN FURTHERANCE OF THE HOSPITAL'S EXEMPT PURPOSE. BELL HOSPITAL IS DEDICATED TO BEING A LEADER IN PROVIDING AND PROMOTING HEALTH AND WELLNESS TO THE SURROUNDING COMMUNITY. BELL HOSPITAL IS A CONVENIENT AND COMPASSIONATE ACUTE CARE HOSPITAL OFFERING A FULL RANGE OF SERVICES. BELL HOSPITAL OFFERS KEY ANCILLARY SERVICES AND ADVANCED MEDICAL TECHNOLOGIES. JUST STEPS AWAY, THE SURGICAL CENTER PERFORMS PROCEDURES ON A DAILY BASIS. BELL HOSPITAL ALSO OFFERS REHABILITATION SERVICES, INCLUDING PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPY, AS WELL AS CORPORATE WELLNESS.

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses \$ 34,126,768

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

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

Part VI

Governance, Management, and Disclosure

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

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

☒

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

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

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

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BRYAN JOHNSON CHAIRMAN	4 00	X		X				0	0	0
(2) JANICE ANDERSON VICE-CHAIR	4 00	X		X				0	0	0
(3) REVEREND RUDY KEMPPAINEN SECRETARY	2 00	X		X				0	0	0
(4) LARRY ARGALL CPA TREASURER	4 00	X		X				0	0	0
(5) ROBERT DELLANGELO MD BOARD MEMBER	4 00	X						0	0	0
(6) RICHARD GRAYBILL BOARD MEMBER	2 00	X						0	0	0
(7) MARLIN KITCHEN BOARD MEMBER	2 00	X						0	0	0
(8) BILL STREAM BOARD MEMBER	2 00	X						0	0	0
(9) JAYNE LETTS BOARD MEMBER	2 00	X						0	0	0
(10) JAMES HAYWARD DDS BOARD MEMBER	2 00	X						0	0	0
(11) KEN FARELY BOARD MEMBER	2 00	X						0	0	0
(12) SHAHAR MADJAR MD COS BOARD MEMBER	4 00	X						0	0	0
(13) DOUGLAS LABELLE MD CMO BOARD MEMBER/ER PHYSICIAN	40 00	X						270,204	0	31,114
(14) RICK AMENT CHIEF EXECUTIVE OFFICER	40 00			X				295,960	0	31,248
(15) GREGORY PERTTULA FORMER CHIEF FINANCIAL OFFICER	40 00			X				139,984	0	15,556
(16) GERALD MESSANA CHIEF FINANCIAL OFFICER	40 00			X				107,864	0	27,387

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) JUDD JOHNSTON MD PATHOLOGIST	38 00					X		268,506	0	38,758
(18) HAROLD HILDEBRAND MD ER PHYSICIAN	40 00					X		264,344	0	35,858
(19) LYLE VANDERSCHAAF MD ER PHYSICIAN	40 00					X		230,674	0	25,153
(20) MICHAEL MLSNA MD ER PHYSICIAN	40 00					X		219,513	0	34,677
(21) HUGH HART CRNA	40 00					X		210,176	0	24,413
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,007,225	0	264,164

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization 23

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MARQUETTE GENERAL HEALTH SYSTEM 420 W MAGNETIC STREET MARQUETTE, MI 49855	LAB AND PATHOLOGY READING	540,473
CARLOS MORENO 23916 OLD 16 ROAD CENTREVILLE, MI 49032	ANESTHESIOLOGIST	460,044
SUPERIOR THERAPY SERVICES 97 SOUTH FOURTH STREET SUITE B ISHPEMING, MI 49849	SPEECH, OCCUPATIONAL AND PHYSICAL THERAP	397,942
GE MEDICAL SYSTEMS 22622 HARPER AVENUE CLAIRE SHORES, MI 48080	CONTRACTED SERVICES	372,300
SIGNATURE PERFORMANCE 10330 REGENCY PARKWAY DRIVE SUITE OMAHA, NE 68114	REVENUE CYCLE MANAGEMENT	303,981

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 9

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d	2,359,100			
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	4,182			
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f ▶	2,363,282			
Program Service Revenue	2a	Business Code			
	PATIENT REVENUE	624100	40,925,000	40,925,000	
	b MISCELLANEOUS	900099	1,553,695		1,553,695
	c ASSISTED LIVING	623000	537,436	537,436	
	d CAFETERIA REVENUE	722210	222,888		222,888
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f ▶	43,239,019			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) ▶		955,875		955,875
	4 Income from investment of tax-exempt bond proceeds . . ▶				
	5 Royalties ▶				
		(i) Real	(ii) Personal		
	6a Gross Rents				
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶				
		(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory		188,784		
	b Less cost or other basis and sales expenses		280,715		
	c Gain or (loss)		-91,931		
	d Net gain or (loss) ▶		-91,931		-91,931
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a				
	b Less direct expenses b				
	c Net income or (loss) from fundraising events . . ▶				
	9a Gross income from gaming activities See Part IV, line 19 . a				
b Less direct expenses b					
c Net income or (loss) from gaming activities . . ▶					
10a Gross sales of inventory, less returns and allowances .					
a					
b Less cost of goods sold . . . b					
c Net income or (loss) from sales of inventory . . ▶					
Miscellaneous Revenue		Business Code			
11a _____					
b _____					
c _____					
d All other revenue					
e Total. Add lines 11a-11d ▶					
12 Total revenue. See Instructions ▶		46,466,245	40,925,000	537,436	2,640,527

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	3,918,967	3,918,967		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	919,317	301,318	617,999	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	15,699,612	12,406,892	3,292,720	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	824,527	630,502	194,025	
9	Other employee benefits	2,254,365	1,723,874	530,491	
10	Payroll taxes	1,117,110	854,235	262,875	
a	Fees for services (non-employees) Management				
b	Legal	131,524		131,524	
c	Accounting				
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	2,008,423	825,419	1,183,004	
12	Advertising and promotion	180,911		180,911	
13	Office expenses	8,831,552	6,616,671	2,214,881	
14	Information technology				
15	Royalties				
16	Occupancy	765,861	515,193	250,668	
17	Travel	98,611	37,705	60,906	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	1,317,797	886,479	431,318	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,701,071	1,817,005	884,066	
23	Insurance	425,341	252,624	172,717	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT EXPENSE	2,990,942	2,990,942		
b	MISCELLANEOUS	448,289	230,803	217,486	
c	DUES, LICENSES, & SUBSC	360,949	118,139	242,810	
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	44,995,169	34,126,768	10,868,401	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest-bearing	6,433,839	1	10,270,679
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	5,605,896	4	4,481,493
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	1,618,717	8	1,560,414
	9	Prepaid expenses and deferred charges	287,811	9	381,269
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	57,488,784		
	10b	Less: accumulated depreciation	14,790,088		
			45,151,542	10c	42,698,696
	11	Investments—publicly traded securities	2,006,726	11	0
	12	Investments—other securities. See Part IV, line 11	173,273	12	933,888
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11	2,173,279	15	554,008	
16	Total assets. Add lines 1 through 15 (must equal line 34)	63,451,083	16	60,880,447	
Liabilities	17	Accounts payable and accrued expenses	3,621,760	17	3,497,078
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	34,372,534	20	33,243,432
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	10,107,598	25	6,493,854
	26	Total liabilities. Add lines 17 through 25	48,101,892	26	43,234,364
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	13,523,655	27	17,494,015
	28	Temporarily restricted net assets	1,825,536	28	152,068
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	15,349,191	33	17,646,083
	34	Total liabilities and net assets/fund balances	63,451,083	34	60,880,447

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	46,466,245
2	Total expenses (must equal Part IX, column (A), line 25)	2	44,995,169
3	Revenue less expenses Subtract line 2 from line 1	3	1,471,076
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	15,349,191
5	Other changes in net assets or fund balances (explain in Schedule O)	5	825,816
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	17,646,083

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
BELL MEMORIAL HOSPITAL

Employer identification number

38-1394903

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

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

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

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

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

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

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

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

Part IV

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

SCHEDULE C
 (Form 990 or 990-EZ)

Department of the Treasury
 Internal Revenue Service

Political Campaign and Lobbying Activities
 For Organizations Exempt From Income Tax Under section 501(c) and section 527
 ▶ **Complete if the organization is described below.**
 ▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047
2010
Open to Public Inspection

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

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

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

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

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

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

Name of the organization BELL MEMORIAL HOSPITAL	Employer identification number 38-1394903
--	--

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

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

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
 4a Was a correction made? ☐ Yes ☐ No
 b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		2,835
j	Total lines 1c through 1i			2,835
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	MHA AND AHA LOBBYING DUES

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
BELL MEMORIAL HOSPITAL

Employer identification number
38-1394903

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
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		<input type="checkbox"/> Yes <input type="checkbox"/> No

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 (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

a Total number of conservation easements

b Total acreage restricted by conservation easements

c Number of conservation easements on a certified historic structure included in (a)

d Number of conservation easements included in (c) acquired after 8/17/06

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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)? ☐ Yes ☐ No

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

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

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

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other

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

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

☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No

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

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

2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

a Board designated or quasi-endowment ▶

b Permanent endowment ▶

c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,194,046		2,194,046
b Buildings		38,619,207	5,471,603	33,147,604
c Leasehold improvements				
d Equipment		16,675,531	9,318,485	7,357,046
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				42,698,696

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		
Total. (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
Total. (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
Total. (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	
ACCRUED PROFESSIONAL AND OTHER LIABILITIES	1,300,000
FAS 87 LIABILITY	2,507,945
OTHER- FMV OF INTEREST RATE SWAPS	2,477,511
LEASES PAYABLE	208,398
Total. (Column (b) should equal Form 990, Part X, col (B) line 25.)	6,493,854

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	46,466,245
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	44,995,169
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,471,076
4	Net unrealized gains (losses) on investments	4	714,340
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	111,476
9	Total adjustments (net) Add lines 4 - 8	9	825,816
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,296,892

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

1	Total revenue, gains, and other support per audited financial statements	1	45,178,749
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	714,340
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	357,264
e	Add lines 2a through 2d	2e	1,071,604
3	Subtract line 2e from line 1	3	44,107,145
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	2,359,100
c	Add lines 4a and 4b	4c	2,359,100
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	46,466,245

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

1	Total expenses and losses per audited financial statements	1	41,099,156
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	41,099,156
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	3,896,013
c	Add lines 4a and 4b	4c	3,896,013
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	44,995,169

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
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, THE ORGANIZATION DETERMINES WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION. IF THE TAX POSITION DOES NOT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD, THE BENEFIT OF THAT POSITION IS NOT RECOGNIZED IN THE COMBINED FINANCIAL STATEMENTS. THE ORGANIZATION RECORDED NO ASSETS OR LIABILITIES FOR UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS IN FISCAL 2011 AND 2010. FEDERAL INCOME TAX RETURNS FOR THE FISCAL YEARS ENDED 2008 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE (IRS).
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS 357,265. PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COSTS 1,447,680. CHANGE IN INTEREST OF NET ASSETS OF THE CHARITABLE FOUNDATION -1,693,469.
PART XII, LINE 2D - OTHER ADJUSTMENTS		CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS 357,264.
PART XII, LINE 4B - OTHER ADJUSTMENTS		CONTRIBUTIONS FROM FOUNDATION 2,359,100.
PART XIII, LINE 4B - OTHER ADJUSTMENTS		TRANSFER TO AFFILIATE 3,896,013.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization
BELL MEMORIAL HOSPITAL

Employer identification number
38-1394903

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a

Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .

1a

Yes

No

b

If "Yes," is it a written policy?

1b

Yes

2

If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year

☐ Applied uniformly to all hospitals

☐ Applied uniformly to most hospitals

☐ Generally tailored to individual hospitals

3

Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

a

Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

☐ 100%

☐ 150%

☒ 200%

☐ Other _____%

3a

Yes

b

Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care

☐ 200%

☐ 250%

☐ 300%

☐ 350%

☒ 400%

☐ Other _____%

3b

Yes

c

If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4

Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?

4

Yes

5a

Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

5a

Yes

b

If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

5b

No

c

If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?

5c

6a

Does the organization prepare a community benefit report during the tax year?

6a

Yes

6b

If "Yes," did the organization make it available to the public?

6b

Yes

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost						
Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			626,162	0	626,162	1 490 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			2,378,151	2,562,661	-184,510	0 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			3,629,661	1,409,735	2,219,926	5 290 %
d Total Financial Assistance and Means-Tested Government Programs			6,633,974	3,972,396	2,661,578	6 780 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			154,761	1,080	153,681	0 370 %
f Health professions education (from Worksheet 5)			394,210		394,210	0 940 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			41,125	6,000	35,125	0 080 %
j Total Other Benefits			590,096	7,080	583,016	1 390 %
k Total. Add lines 7d and 7j			7,224,070	3,979,476	3,244,594	8 170 %

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50192T

Schedule H (Form 990) 2010

Part II

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing		1,385		1,385	0 %
2	Economic development		14,370		14,370	0 030 %
3	Community support		30,660		30,660	0 070 %
4	Environmental improvements		24,744		24,744	0 060 %
5	Leadership development and training for community members		4,645		4,645	0 010 %
6	Coalition building		7,920		7,920	0 020 %
7	Community health improvement advocacy		27,425		27,425	0 070 %
8	Workforce development		2,507		2,507	0 010 %
9	Other					
10	Total		113,656		113,656	0 270 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,419,053
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0
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	9,513,728
6	Enter Medicare allowable costs of care relating to payments on line 5	6	10,738,929
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-1,225,201
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	No

Part IV

Management Companies and Joint Ventures

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

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

Schedule H (Form 990) 2010

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

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

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C N/A

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BELL MEMORIAL HOSPITAL TAKES ACTUAL GROSS CHARGES OF BAD DEBT EXPENSES AND APPLIES THE RATIO OF PATIENT CARE COST TO CHARGES THE COST TO CHARGE RATIO METHOD WAS USED FROM WORKSHEET 2

Identifier	ReturnReference	Explanation
		PART II BELL HOSPITAL'S SENIOR MANAGEMENT, DIRECTORS, MANAGERS, PHYSICIANS, AND NURSES CONTRIBUTED MORE THAN 1,500 STAFF HOURS AND A TOTAL OF \$99,665 TOTAL COMMUNITY BUILDING EXPENSES WITH NO OFFSETTING REVENUE TO PROVIDE LEADERSHIP AND RESOURCES TO EQUIP COMMUNITY ORGANIZATIONS WITH THE SKILLS NEEDED TO CREATE HEALTHY COMMUNITIES OUR STAFF PARTICIPATE ON BOARDS, ADVISORY COMMITTEES, AND COMMISSIONS FOR EXAMPLE, OUR VICE PRESIDENT OF OPERATIONS SERVES IN TWO KIWANIS ORGANIZATIONS AND IS A MEMBER OF THE ACHIEVE COUNCIL, USING TIME THAT WOULD OTHERWISE BE ALLOCATED FOR OTHER ACTIVITIES AT BELL HOSPITAL

Identifier	ReturnReference	Explanation
		PART III, LINE 4 AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS ESTABLISHED ON AN AGGREGATE BASIS BY USING HISTORICAL LOSS RATE FACTORS APPLIED TO UNPAID ACCOUNTS BASED ON AGING LOSS RATE FACTORS ARE BASED ON HISTORICAL LOSS EXPERIENCE AND ADJUSTED FOR ECONOMIC CONDITIONS AND OTHER TRENDS AFFECTING THE HOSPITAL'S ABILITY TO COLLECT OUTSTANDING AMOUNTS UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IN THE PERIOD THEY ARE DEEMED TO BE UNCOLLECTIBLE THE ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON CURRENT REIMBURSEMENT METHODOLOGIES THIS AMOUNT ALSO INCLUDES AMOUNTS RECEIVED AS INTERIM PAYMENTS AGAINST UNPAID CLAIMS BY CERTAIN PAYORS BELL HOSPITAL USES A COST-TO-CHARGE RATIO BASED FOR DETERMINING BAD DEBT EXPENSE AMOUNTS FURTHER, BELL HOSPITAL USES THE KNOWLEDGE OF ITS ACCOUNTING STAFF TO HELP ESTIMATE THE AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY

Identifier	ReturnReference	Explanation
		PART III, LINE 8 AS MOST OF THE MEDICARE CLIENTELE ARE FROM MARQUETTE COUNTRY, THE COST-TO-CHARGE RATIO PERCENTAGE ON THE SHORTFALL IS BELIEVED TO BE A COMMUNITY BENEFIT THE COSTING METHODOLOGY USED WAS THE COST-TO-CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE DEBT COLLECTION POLICY MAY APPLY TO PATIENTS WHO QUALIFY UNDER THE CHARITY CARE POLICY FOR EXAMPLE, IF THE CHARITY CARE POLICY COVERED 80% OF THE MEDICAL COSTS UNDER THE SLIDING SCALE OF THE FEDERAL POVERTY GUIDELINES, BELL HOSPITAL WOULD USE DEBT COLLECTION PRACTICES TO COLLECT THE REMAINING 20% BELL HOSPITAL USES THE SAME DEBT COLLECTION PRACTICES FOR ALL INDIVIDUALS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 BELL MEMORIAL HOSPITAL DOES NOT CONDUCT ITS OWN NEEDS ASSESSMENT THE LOCAL COUNTY HEALTH DEPARTMENT ALONG WITH LOCAL COALITIONS HAVE CONDUCTED NEEDS ASSESSMENTS AND HAVE PUBLISHED THE INFORMATION BELL MEMORIAL HOSPITAL USES THIS INFORMATION TO DEVELOP PROGRAMS AND INITIATIVES TO IMPROVE THE HEALTH OF THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 AT THE POINT OF REGISTRATION IT IS DETERMINED WHETHER A PATIENT HAS INSURANCE COVERAGE OR IS A "SELF-PAY" PATIENT IF A "SELF-PAY" PATIENT, THEY ARE MADE AWARE OF THEIR RESPONSIBILITY FOR PAYMENT AND REFERRED TO A HOSPITAL FINANCIAL COUNSELOR TO DETERMINE ELIGIBILITY FOR ALL INPATIENTS NOTED AS "SELF-PAY", A FINANCIAL COUNSELOR WILL MEET THEM IN PERSON WHILE AT THE HOSPITAL AND REVIEW ELIGIBILITY OPTIONS FURTHER, A CHARITY CARE FLYER IS INSERTED IN THEIR BILLING STATEMENT, AS WELL AS, THE FINANCIAL COUNSELOR'S CONTACT INFORMATION ALSO, EACH BILLING STATEMENT SENT TO THE INDIVIDUAL IS STAMPED WITH COUNSELOR'S PHONE NUMBER AND STATES TO CALL THEM IF UNABLE TO PAY IN 30 DAYS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 BELL HOSPITAL IS A NOT-FOR-PROFIT COMMUNITY HOSPITAL THAT HAS BEEN DEDICATED TO SERVING THE AREA'S HEALTH CARE NEEDS FOR OVER A CENTURY BELL HOSPITAL IS THE WESTERN MOST HOSPITAL WITHIN MARQUETTE COUNTY, THEREFORE, IT RECEIVES A NUMBER OF PATIENTS WITHIN ITS AMBULANCE ROUTE, WHICH INCLUDES THE NEAREST TWO CITIES AND TEN TOWNSHIPS (ISHPEMING, ELY, TILDEN, REPUBLIC, NEGAUNEE, CHAMPION, HUMBOLDT, RICHMOND, MICHIGAMME AND SPURR) OVER 22,000 RESIDENTS LIVE IN THESE AREAS AND SEEK MEDICAL ATTENTION

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 THE ACHIEVE PROGRAM THE ACHIEVE CHART TEAM OF MARQUETTE COUNTY'S VISION IS TO ASSIST OUR RESIDENTS TO ACHIEVE HIGHER LEVELS OF GOOD HEALTH BY MAKING THE HEALTHY CHOICE, THE EASY CHOICE IT DOES THIS BY 1 PROMOTING HEALTH AND WELLNESS ACTIVITIES WITHIN THE COMMUNITY, 2 PROVIDING OR COORDINATING OPPORTUNITIES THAT EDUCATES INDIVIDUALS ABOUT HEALTHY LIFESTYLES, 3 PROMOTING ENVIRONMENTAL AND POLICY CHANGES WITHIN THE COMMUNITY THAT MAKE IT EASIER TO BE PHYSICALLY ACTIVE, PRACTICE GOOD NUTRITION, LIVE TOBACCO FREE, AND AVOID SECOND HAND SMOKE THE PRIMARY PURPOSE OF THE ACHIEVE CHART TEAM OF MARQUETTE COUNTY IS TO COLLABORATIVELY WORK IN THE COMMUNITY TO PROMOTE THE MAINTENANCE AND IMPROVEMENT OF THE HEALTH OF MARQUETTE COUNTY RESIDENTS THROUGH ENVIRONMENTAL AND POLICY CHANGES THAT SUPPORT REGULAR PHYSICAL ACTIVITY, GOOD NUTRITION, AND TOBACCO FREE LIVING, AS WELL AS THE ELIMINATION OF SECOND HAND SMOKE BELL HOSPITAL PROMOTES THE HEALTH OF THE COMMUNITY BY PROVIDING AN ANNUAL STRENGTH FROM WITHIN PROGRAM THAT TARGETS LOCAL YOUTHS FROM GRADES 6-8 TO PROVIDE A STRUCTURED HEALTHY LIVING PROGRAM INCLUDING EXERCISE, NUTRITION AND COMMUNITY SERVICE THE SFW PROGRAM AWARDS A YEAR OF TUITION TO THE LOCAL UNIVERSITY BELL HOSPITAL ALSO CONDUCTS AN ANNUAL WOMEN'S HEALTH EXPO FREE OF CHARGE THE STAFF, MANAGEMENT AND PHYSICIANS OF BELL HOSPITAL PROVIDE HEALTH SCREENINGS, HEALTH AND WELLNESS DEMONSTRATIONS AND PHYSICIAN PRESENTATIONS ALL FREE OF CHARGE FOR THE WOMEN OF THE COMMUNITY THE STAFF AND MANAGEMENT CONTRIBUTED OVER 200 HOURS AND RESULTED IN NEARLY \$8,000 IN EXPENSES WITH NO OFFSETTING REVENUE SINCE A MAJORITY OF THE COMMUNITY IS IN THE MINING INDUSTRY OR FAMILY OF SUCH MINERS, BELL HOSPITAL CONDUCTS AN ANNUAL CLIFFS HEALTH EXPO FREE OF CHARGE FOR EMPLOYEES AND FAMILIES OF CLIFFS NATURAL RESOURCES THE HEALTH EXPO PROVIDED HEALTH SCREENINGS, HEALTH AND WELLNESS DEMONSTRATIONS WHICH MANAGEMENT AND STAFF CONTRIBUTED 290 HOURS OF TIME AND \$8,000 IN EXPENSES WITH NO OFFSETTING REVENUE BELL HOSPITAL SPONSORS THE WEEKLY "MEDICAL MINUTE" SERIES ON A LOCAL TELEVISION STATION DURING THE MEDICAL MINUTE, A PHYSICIAN PROVIDES MEDICAL INFORMATION ON A VARIETY OF ISSUES EACH WEEK THE AMBULANCE/EMS SERVICE AT BELL IS DEDICATED STAFF AT ALL LOCAL HIGH SCHOOL SPORTING EVENTS AND SERVICES OUR LIFELINE CALLS, AND EMERGENCY UNITS AT NO CHARGE OUR SPORTS MEDICINE PROGRAM ALSO PROVIDES DEDICATED STAFF FOR LOCAL SPORTING EVENTS THESE RESOURCES AMOUNTED TO NEARLY 1,300 STAFF HOURS AND \$46,000 IN STAFF COSTS WITH NO OFFSETTING REVENUE BELL HOSPITAL SPONSORS THE FOLLOWING LOCAL COMMUNITY EVENTS LAKE SUPERIOR COMMUNITY PARTNERSHIP AND GREATER ISHPEMING-NEGAUNEE CHAMBER OF COMMERCE SERVICE CLUB ORGANIZATIONS AND EVENTS PIGS-N-HEAT FIRE RELIEF FUND COMMUNITY BABY SHOWER (PROVIDES BABY ESSENTIALS FOR LOW INCOME MOMS TO BE) MUD PLUNGE ANNUAL SUMMER AND WINTER COMMUNITY EVENTS</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 N/A

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	MI

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

2010

Open to Public Inspection

Name of the organization
BELL MEMORIAL HOSPITAL

Employer identification number	38-1394903
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Part I General Information on Grants and Assistance

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

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

[illegible]

- | | | | |
|----------|--|---|---|
| 2 | Enter total number of section 501(c)(3) and government organizations | ▶ | 1 |
| 3 | Enter total number of other organizations | ▶ | |

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
OTHER INFORMATION	PART IV	ALL OF THE GRANTS WERE GIVEN TO MEMBERS OF OUR AFFILIATED GROUP

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization BELL MEMORIAL HOSPITAL	Employer identification number 38-1394903
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Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax indemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</div></div>		
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	1b Yes	
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?	2 Yes	
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. <div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment from the organization or a related organization? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a Yes	
	4b	No
	4c	No
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	5a	No
	5b	No
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	6a	No
	6b	No
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	7	No
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	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DOUGLAS LABELLE MD CMO	(i) (ii)	269,452 0	0 0	752 0	13,045 0	18,069 0	301,318 0	0 0
(2) RICK AMENT	(i) (ii)	244,058 0	47,600 0	4,302 0	13,359 0	17,889 0	327,208 0	0 0
(3) GREGORY PERTTULA	(i) (ii)	139,469 0	0 0	515 0	10,394 0	5,162 0	155,540 0	0 0
(4) JUDD JOHNSTON MD	(i) (ii)	248,386 0	18,159 0	1,961 0	22,794 0	15,964 0	307,264 0	0 0
(5) HAROLD HILDEBRAND MD	(i) (ii)	263,638 0	0 0	706 0	19,894 0	15,964 0	300,202 0	0 0
(6) LYLE VANDERSCHAAF MD	(i) (ii)	230,274 0	0 0	400 0	9,189 0	15,964 0	255,827 0	0 0
(7) MICHAEL MLSNA MD	(i) (ii)	218,530 0	0 0	983 0	18,713 0	15,964 0	254,190 0	0 0
(8) HUGH HART	(i) (ii)	207,610 0	0 0	2,566 0	10,996 0	13,417 0	234,589 0	0 0
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	RICK AMENT HAD HIS GOLF DUES OF \$3,115 PAID BY BELL MEMORIAL HOSPITAL. THESE DUES WERE TAXABLE TO HIM FOR 2010.
	PART I, LINE 4A	GREGORY PERTTULA \$72,337

**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

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

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
BELL MEMORIAL HOSPITAL

Employer identification number

38-1394903

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ECONOMIC DEVELOPMENT CORP OF THE COUNTY OF MARQUETTE MI	38-2401335	57147NAC7	03-29-2007	32,825,000	ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW CRITICAL ACCESS HOSPITAL		X		X		X
B ECONOMIC DEVELOPMENT CORP OF THE COUNTY OF MARQUETTE MI	38-2401335	57147NAD5	08-28-2007	3,700,000	CONSTRUCTION OF WATER, SEWER AND UTILITY EXTENSIONS FOR NEW HOSPITAL		X		X		X

Part II Proceeds

	A		B		C		D	
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue	33,767,401		3,733,927					
4 Gross proceeds in reserve funds								
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrow								
7 Issuance costs from proceeds	492,809		74,000					
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds	32,841,778		3,613,003					
11 Other spent proceeds	432,814		46,924					
12 Other unspent proceeds								
13 Year of substantial completion	2008		2008					
	Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X	X					
15 Were the bonds issued as part of an advance refunding issue?		X		X				
16 Has the final allocation of proceeds been made?	X		X					
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

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

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X			X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	4 190 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5	4 190 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X		X				

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?	X		X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X					
b	Name of provider	CHARTER ONE BANK NA		CHARTER ONE BANK NA					
c	Term of hedge	9 800000000000		9 900000000000					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC ?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?	X		X					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
FORM 990, SCHEDULE K		SCHEDULE K, PART II, LINE 3, BOND ISSUE B THE CURRENT REFUNDING ESCROW WAS EXPENDED ON NOVEMBER 7, 2007 SCHEDULE K, PART II, LINE 7, BOND ISSUE A OF THE TOTAL COSTS OF ISSUANCE OF THE BONDS, \$492,809 WAS FOR CREDIT ENHANCEMENT AND \$432,814 WAS FOR COSTS OF ISSUANCE SCHEDULE K, PART II, LINE 7, BOND ISSUE B OF THE TOTAL COSTS OF ISSUANCE OF THE BONDS, \$46,924 WAS FOR CREDIT ENHANCEMENT AND \$74,000 WAS FOR COSTS OF ISSUANCE SCHEDULE K, PART III, LINE 3A, BOND ISSUE A THE ORGANIZATION HAS DETERMINED THAT ITS ARRANGEMENT OR SERVICE CONTRACTS MEET THE SAFE HARBOR UNDER REV PROC 97-13, 1997-1 C B 632 SCHEDULE K, PART III, LINE 7, THE ORGANIZATION WILL SEEK TO ADOPT ARRANGEMENT PRACTICES TO ENSURE POST-ISSUANCE COMPLIANCE THIS UPCOMING YEAR SCHEDULE K, PART IV, LINE 6, BOND ISSUES A AND B THE ORGANIZATION REASONABLY BELIEVES THAT THE BOND ISSUES QUALIFIED FOR AN EXCEPTION TO REBATE AND HAS HIRED A REBATE ANALYST TO CONFIRM

Schedule L

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Transactions with Interested Persons

▶ 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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

BELL MEMORIAL HOSPITAL

Employer identification number

38-1394903

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

1	(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

(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?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

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

(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) TOM EDMARK OWNER OF IRON RANGE AGE	FORMER BOARD MEMBER	21,844	PROVIDER OF DIRECTORS AND OFFICERS LIABILITY INSURANCE		No

Part V Supplemental Information

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

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

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization BELL MEMORIAL HOSPITAL	Employer identification number 38-1394903
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		SUPERIOR HEALTHCARE SY STEMS IN THE SOLE MEMBER (100% OWNER) OF BELL MEMORIAL HOSPITAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		MANY OF THE BOARD MEMBERS OF SUPERIOR HEALTHCARE SYSTEMS ARE ALSO BOARD MEMBERS OF BELL MEMORIAL HOSPITAL, THEREFORE IT CAN BE SAID THAT SUPERIOR HEALTHCARE SYSTEMS HAS THE ABILITY TO ELECT MEMBERS OF THE GOVERNING BODY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		MANY OF THE BOARD MEMBERS OF SUPERIOR HEALTHCARE SYSTEMS ARE ALSO BOARD MEMBERS OF BELL MEMORIAL HOSPITAL, THEREFORE IT CAN BE SAID THAT SUPERIOR HEALTHCARE SYSTEMS HAS APPROVAL OVER DECISIONS OF THE GOVERNING BODY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		FORM 990 IS PRESENTED TO THE BOARD OF DIRECTORS FOR REVIEW PRIOR TO BEING SUBMITTED TO THE IRS. QUESTIONS AND COMMENTS WERE SOLICITED FROM THE BOARD OF DIRECTORS TO ENSURE THE COMPLETENESS AND ACCURACY OF THE FORM.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	BOARD MEMBERS REVIEW AND SIGN THE CONFLICT OF INTEREST DISCLOSURES ANNUALLY THESE STATEMENTS ARE REVIEWED BY THE ORGANIZATION'S LEGAL COUNCIL TO ENSURE COMPLIANCE WITH THE POLICY IF A BOARD MEMBER IS FOUND TO HAVE A CONFLICT, THEY ARE REQUIRED TO REMOVE THEMSELVES FROM ANY DISCUSSIONS OF THE MATTER IF THE CONFLICT COULD NOT BE DEALT WITH THE BOARD WOULD HAVE TO CONSIDER WHETHER THE BOARD MEMBER SHOULD STAY A MEMBER OF THE BOARD OF DIRECTORS TO DATE, THE ORGANIZATION HAS NOT HAD ANY BOARD MEMBERS WITH CONFLICTS OF INTEREST

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE ORGANIZATION USES COMPENSATION SURVEYS AND MEDICAL GROUP MANAGEMENT ASSOCIATION DATA TO ENSURE COMPENSATION DATA IS COMPARABLE. DETERMINATION OF THE OFFICER'S AND CHIEF OF STAFF'S COMPENSATION PACKAGES WERE LAST CONDUCTED IN 2010 USING AFOREMENTIONED DATA

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 714,340 CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENTS 357,265 PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COSTS 1,447,680 CHANGE IN INTEREST OF NET ASSETS OF THE CHARITABLE FOUNDATION - 1,693,469 TOTAL TO FORM 990, PART XI, LINE 5 825,816

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE AUDIT PROCESS HAS NOT CHANGED IN THE CURRENT YEAR

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization
BELL MEMORIAL HOSPITAL

Employer identification number

38-1394903

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) SUPERIOR HEALTHCARE SYSTEMS 901 LAKESHORE DR ISHPEMING, MI 49849 38-3040126	HEALTHCARE SERVICES	MI	501(C)(3)	LINE 3	N/A		No
(2) BELL MEDICAL CENTER 901 LAKESHORE DR ISHPEMING, MI 49849 38-2124042	HEALTHCARE SERVICES	MI	501(C)(3)	LINE 11B, II	BELL MEMORIAL HOSPITAL		No
(3) BELL FOUNDATION 97 S FOURTH ST ISHPEMING, MI 49849 38-3040125	FUND RAISING	MI	501(C)(3)	LINE 11B, II	BELL MEMORIAL HOSPITAL		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) SUPERIOR ENTERPRISES INC 97 S FOURTH ST ISHPEMING, MI49849 38-3112668	REHABILITATION SERVICES	MI	N/A	C			

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

No

No

No

No

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

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

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Bell Memorial Hospital and Affiliate

Ishpeming, Michigan

Combined Financial Statements and Additional Information

Years Ended June 30, 2011 and 2010

Bell Memorial Hospital and Affiliate

Combined Financial Statements and Additional Information
Years Ended June 30, 2011 and 2010

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Independent Auditor's Report

Board of Directors
Bell Memorial Hospital
Ishpeming, Michigan

We have audited the accompanying combined balance sheet of Bell Memorial Hospital and Affiliate (the "Organization") as of June 30, 2011, and the related combined statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The combined financial statements of Bell Memorial Hospital and Affiliate as of June 30, 2010, were audited by other auditors whose report dated March 28, 2011, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2011 combined financial statements referred to above present fairly, in all material respects, the financial position of Bell Memorial Hospital and Affiliate as of June 30, 2011, and the results of their operations, changes in their net assets, and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

February 21, 2012
Green Bay, Wisconsin

Bell Memorial Hospital and Affiliate

Combined Balance Sheets

June 30, 2011 and 2010

<i>Assets</i>	2011	2010
Current assets:		
Cash and cash equivalents	\$ 10,322,966	\$ 6,433,839
Accounts receivable - Net	5,962,404	6,638,713
Inventories	1,560,414	1,651,534
Prepaid expenses and other	415,293	324,275
Amounts due from third-party reimbursement programs	3,027	0
Total current assets	18,264,104	15,048,361
Property and equipment - Net	43,099,529	45,787,031
Assets limited as to use	0	2,010,062
Beneficial interest in net assets of Bell Foundation	152,068	1,825,536
Other assets:		
Unamortized bond issue costs	251,877	266,549
Notes receivable	393,323	1,666
Investments in unconsolidated affiliates	933,888	173,273
Other	153,243	84,065
Total other assets	1,732,331	525,553
TOTAL ASSETS	\$ 63,248,032	\$ 65,196,543

<i>Liabilities and Net Assets</i>	2011	2010
Current liabilities:		
Current maturities of long-term debt	\$ 879,472	\$ 1,014,827
Current portion of obligations under capital leases	64,519	0
Accounts payable	1,380,661	1,946,948
Accrued and other liabilities	2,760,187	2,654,813
Amounts due to third-party reimbursement programs	0	1,025,437
Total current liabilities	5,084,839	6,642,025
Long-term liabilities:		
Long-term debt	32,363,960	33,242,914
Obligations under capital leases	143,879	114,793
Interest rate swap agreements	2,477,511	2,834,776
Pension liability	2,507,945	3,955,625
Other liabilities	1,300,000	1,350,000
Total long-term liabilities	38,793,295	41,498,108
Total liabilities	43,878,134	48,140,133
Net assets:		
Unrestricted	19,217,830	15,230,874
Temporarily restricted	152,068	1,825,536
Total net assets	19,369,898	17,056,410
TOTAL LIABILITIES AND NET ASSETS	\$ 63,248,032	\$ 65,196,543

Bell Memorial Hospital and Affiliate

Combined Statements of Operations

Years Ended June 30, 2011 and 2010

	2011	2010
Revenue		
Net patient service revenue	\$ 49,017,581	\$ 47,347,313
Other revenue	3,618,070	2,089,450
Total revenue	52,635,651	49,436,763
Expenses		
Salaries and wages	24,287,839	23,750,876
Employee benefits	5,680,731	6,331,366
Supplies	6,616,044	6,110,244
Purchased services	3,475,822	2,720,210
Insurance	568,517	568,137
Other health care expenses	5,611,726	5,615,823
Depreciation and amortization	3,112,653	2,854,747
Provision for bad debts	3,556,227	6,505,285
Interest	1,465,646	2,011,696
Total expenses	54,375,205	56,468,384
Loss from operations	(1,739,554)	(7,031,621)
Other income (deductions)		
Investment income	955,875	364,642
Contributions	4,182	634,142
Gain (loss) on disposal of property and equipment	(91,932)	38,349
Change in net unrealized gains and losses on investments - Trading securities	(46,275)	286,954
Change in equity investments in unconsolidated affiliates	760,615	0
Change in fair value of interest rate swap agreements	357,265	(849,572)
Excess (deficiency) of revenue over expenses	200,176	(6,557,106)
Other changes in unrestricted net assets		
Pension-related changes other than net periodic pension cost	1,447,680	(908,797)
Net assets released from restrictions	2,339,100	0
Increase (decrease) in unrestricted net assets	\$ 3,986,956	\$ (7,465,903)

Bell Memorial Hospital and Affiliate

Combined Statements of Changes in Net Assets

Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted net assets:		
Excess (deficiency) of revenue over expenses	\$ 200,176	\$ (6,557,106)
Pension-related changes other than net periodic pension cost	1,447,680	(908,797)
Net assets released from restrictions	2,339,100	0
Increase (decrease) in unrestricted net assets	3,986,956	(7,465,903)
Temporarily restricted net assets:		
Change in beneficial interest in net assets of Bell Foundation	665,632	935,553
Net assets released from restrictions	(2,339,100)	0
Increase (decrease) in temporarily restricted net assets	(1,673,468)	935,553
Change in net assets	2,313,488	(6,530,350)
Net assets at beginning	17,056,410	23,586,760
Net assets at end	\$ 19,369,898	\$ 17,056,410

Bell Memorial Hospital and Affiliate

Combined Statements of Cash Flows

Years Ended June 30, 2011 and 2010

	2011	2010
Increase (decrease) in cash and cash equivalents		
Change in net assets	\$ 2,313,488	\$ (6,530,350)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	3,112,653	2,854,747
Amortization of bond issue discount	16,046	15,528
Change in net unrealized gains and losses on investments - Trading securities	46,275	(286,954)
Realized gain on sales of investments	(408,553)	(348,993)
Change in beneficial interest in net assets of Bell Foundation	(665,632)	(935,553)
Pension-related changes other than net periodic pension cost	(1,447,680)	908,797
Change in fair value of interest rate swap agreements	(357,265)	849,572
Provision for bad debts	3,556,227	6,505,285
(Gain) loss on disposal of property and equipment	91,932	(38,349)
Change in equity investments in unconsolidated affiliates	(760,615)	0
Changes in operating assets and liabilities		
Accounts receivable	(2,879,918)	(7,101,512)
Inventories	91,120	(287,164)
Prepaid expenses and other	(91,018)	(20,108)
Amounts due from third-party reimbursement programs	(3,027)	1,824,100
Other assets	(69,178)	0
Accounts payable	(566,287)	(34,508)
Amounts due to third-party reimbursement programs	(1,025,437)	1,545,782
Accrued liabilities	105,374	473,713
Other liabilities	(50,000)	31,295
Total adjustments	(1,304,983)	5,955,678
Net cash provided by (used in) operating activities	1,008,505	(574,672)

Bell Memorial Hospital and Affiliate

Combined Statements of Cash Flows (Continued)

Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from investing activities		
Capital expenditures	\$ (550,948)	\$ (2,138,708)
Proceeds from property and equipment disposals	188,784	20,761
Purchase of investments	(129,812)	(4,167,576)
Proceeds from sales of investments	2,502,152	6,145,879
Issuance of note receivable	(449,088)	0
Collection of note receivable	57,431	260,914
Net cash provided by investing activities	1,618,519	121,270
Cash flows from financing activities		
Proceeds from issuance of long-term debt	0	105,979
Principal payments on long-term debt	(1,030,355)	(980,600)
Principal payments on obligations under capital lease	(46,642)	0
Proceeds from Bell Foundation	2,339,100	935,553
Net cash provided by financing activities	1,262,103	60,932
Net increase (decrease) in cash and cash equivalents	3,889,127	(392,470)
Cash and cash equivalents at beginning	6,433,839	6,826,309
Cash and cash equivalents at end	\$ 10,322,966	\$ 6,433,839

Supplemental cash flow information

Cash paid for interest	\$ 1,576,469	\$ 1,641,571
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Noncash financing and investing activities

Acquisition of property and equipment under capital lease obligations	\$ 140,247	\$ 90,980
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Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies

The Entities

Bell Memorial Hospital (the "Hospital") is a nonprofit, nonstock corporation that operates a 25-bed acute care facility. The Hospital provides comprehensive inpatient, outpatient, and emergency services to residents of Ishpeming, Michigan, and the surrounding areas. The Hospital's sole member is Superior Healthcare System, a Michigan nonprofit holding company.

Bell Medical Center (the "Medical Center") is a nonprofit, nonstock corporation that operates physicians' offices and provides physician clinic services. The Medical Center's sole member is Superior Healthcare System. The Hospital provides financial support for the Medical Center's operations and has the ability to determine direction and assign various health care-related functions to the Medical Center.

Principles of Combination

The combined financial statements include the accounts of the Hospital and the Medical Center, its affiliate (collectively referred to as the "Organization"). All significant intercompany accounts and transactions have been eliminated in preparing the combined financial statements.

Financial Statement Presentation

The Organization follows accounting standards contained in the Financial Accounting Standards Board Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying combined financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates may also affect the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted. The carrying amount reported in the accompanying combined balance sheets for cash equivalents approximates fair value.

Accounts Receivable and Credit Policy

Accounts receivable are uncollateralized patient obligations that are stated at the amount management expects to collect from outstanding balances. These obligations are primarily from local residents, most of whom are insured under third-party payor agreements. The Organization bills third-party payors on the patients' behalf, or if a patient is uninsured, the patient is billed directly. Once claims are settled with the primary payor, any secondary insurance is billed, and patients are billed for copay and deductible amounts that are the patients' responsibility. Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement. The Organization does not have a policy to charge interest on past due accounts.

The carrying amounts of accounts receivable are reduced by allowances that reflect management's best estimate of the amounts that will not be collected. Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to accounts receivable. In addition, management provides for probable uncollectible amounts, primarily uninsured patients and amounts patients are personally responsible for, through a charge to operations and a credit to a valuation allowance based upon its assessment of historical collection likelihood and the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Accounts receivable are recorded in the accompanying combined balance sheets net of contractual adjustments and allowances for doubtful accounts.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories of supplies are valued at the lower of cost, determined on the first-in, first-out method, or market

Investments

Investments are measured at fair value in the accompanying combined balance sheets. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess (deficiency) of revenue over expenses unless the income is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess (deficiency) of revenue over expenses unless the investments are trading securities. Realized gains and losses are determined by specific identification and charged to operations.

The Organization monitors the difference between the cost and fair value of its investments. A decline in market value of an individual investment security below cost that is deemed to be other than temporary results in an impairment, and the Organization reduces the investment's carrying value to fair value. A new cost basis is established for the investment, and any impairment loss is recorded as a realized loss in investment income.

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for the payment of professional liability claims, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under indenture agreements.

Investments in Unconsolidated Affiliates

Investments in unconsolidated affiliates are accounted for using the equity method.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization measures fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Property and equipment under capital leases are amortized on the straight-line method over the shorter period of the lease term or the estimated economic life. Such amortization expense is included with depreciation expense. Estimated useful lives range from 10 to 20 years for land improvements, 5 to 40 years for buildings and improvements, and 3 to 20 years for equipment. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Impairment

The Organization reviews its property and equipment periodically to determine potential impairment by comparing the carrying value of the property and equipment with the estimated future net discounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the Organization would recognize an impairment loss at that time. No impairment loss was recognized in fiscal 2011 or 2010.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Interest in Net Assets of Bell Foundation

The Hospital and Bell Foundation (the "Foundation") are financially interrelated organizations and, accordingly, the Hospital recognized its interest in the net assets of the Foundation and adjusts that interest for its share of the change in net assets of the Foundation

Unamortized Bond Issue Costs

Bond issue costs related to issuance of long-term debt are being amortized over the life of the related debt using the straight-line method

Asset Retirement Obligations

ASC Topic 410-20, *Asset Retirement Obligations*, clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation. The Organization has considered ASC Topic 410-20, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. During 2009, the Hospital entered into an agreement with a local developer to sell its old facility for \$1. In connection with this agreement, the Hospital is obligated for an amount not to exceed \$825,000 for the removal of asbestos within the old facility. At June 30, 2011 and 2010, the Hospital has a liability of \$700,000 recorded, which is the balance remaining under this agreement. The liability is included in other liabilities in the accompanying combined balance sheets.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. The temporarily restricted net assets are comprised entirely of the interest in the net assets of Bell Foundation.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Interest Rate Swap Agreements

The Organization entered into interest rate swap agreements to reduce economic risks associated with variability in cash outflows for interest required under provisions of variable rate revenue bonds. Interest rate swaps are recognized as assets or liabilities at fair value. Realized gains and losses on interest rate swaps are classified as a component of operating income and are presented as part of interest expense in the combined statements of changes in net assets. Unrealized changes in the fair value of the interest rate swaps are recognized as part of other income, separate from operating income. The Organization does not use hedge accounting for these interest rate swap agreements.

Net Patient Service Revenue

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 are adjusted in future periods as final settlements are determined.

Excess (Deficiency) of Revenue Over Expenses

The accompanying combined statements of operations include excess (deficiency) of revenue over expenses, which is considered the operating indicator. Changes in unrestricted net assets that are excluded from the operating indicator include unrealized gains and losses on investments other than trading securities, contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets, pension-related changes other than net periodic cost, and transfers to (from) related organizations other than for goods and services.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not included in net patient service revenue in the accompanying combined statements of operations.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is deemed unconditional. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying combined statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying combined statements of operations.

Advertising Costs

The Organization expenses advertising costs as incurred.

Unemployment Compensation

The Organization has elected the reimbursement method to finance the cost of unemployment compensation benefits. Unemployment compensation expense is charged to operating expense when paid or when the amount of the claims can be estimated. The Organization contributes to a state unemployment trust held by a third party.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Income Taxes

The Hospital and the Center are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital and the Center are also exempt from state income taxes on related income.

In order to account for any uncertain tax positions, the Organization determines whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the combined financial statements. The Organization recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits in fiscal 2011 and 2010. Federal income tax returns for the fiscal years ended 2008 and beyond remain subject to examination by the Internal Revenue Service (IRS).

New Accounting Pronouncements

In July 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for certain Health Care Entities*. The ASU amends ASC Topic 954 and requires health care entities to change the presentation of their statements of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Entities are also required to enhance disclosures about their policies for recognizing revenue and assessing bad debts. In addition, this guidance requires disclosure of qualitative and quantitative information about changes in the allowance for doubtful accounts. The guidance in this ASU is effective for the Organization's year ending June 30, 2013, with early adoption permitted.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

In August 2010, the FASB issued ASU No. 2010-23, *Measuring Charity Care for Disclosure*. This ASU amends ASC Topic 954 and requires entities to use cost as the measurement basis for charity care disclosures, including both direct and indirect costs. Entities are also required to disclose the method used to determine these costs, such as directly from a costing system or through an estimation process. The guidance in this ASU is effective for the Organization's year ending June 30, 2012.

Subsequent Events

Subsequent events have been evaluated through February 21, 2012, which is the date the combined financial statements were issued. See Note 9 for specific subsequent events related to the Series 2007A Limited Obligation Revenue Bonds.

Note 2 Reimbursement Arrangements With Third-Party Payors

The Organization has agreements with third-party payors that provide for reimbursement at amounts that vary from its established rates. A summary of the basis of reimbursement with major third-party payors follows:

- *Medicare* - The Hospital is certified as a critical access hospital with reimbursement based on cost for inpatient, outpatient, and rural health clinic services. Professional services provided by physicians and other clinicians continue to be reimbursed based on prospectively determined fee schedules.
- *Medicaid* - Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based upon clinical, diagnostic, and other factors. In addition, capital-related costs are reimbursed under a cost methodology. Outpatient services are paid based upon a prospectively determined fee schedule for each type of service. Professional services provided by physicians and other clinicians are reimbursed based upon one of the following methods: a prospectively determined fee schedule or a cost-reimbursement methodology depending on the type of professional services provided.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

- *Blue Cross Blue Shield of Michigan ("Blue Cross")* - Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed on a controlled-charge basis. Professional services provided by physicians and other clinicians are reimbursed on a prospectively determined fee schedule.
- *Other* - The Organization also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates and discounts from established charges.
- *Accounting for Contractual Arrangements* - The Hospital is reimbursed for cost reimbursable items at an interim rate, and final settlements are determined after audit of the Hospital's related annual cost reports by the respective Medicare, Medicaid, and Blue Cross fiscal intermediaries. Estimated provisions to approximate the full expected settlements after review by the intermediaries are included in the accompanying combined financial statements. The Hospital's cost reports have been audited by the Medicare, Medicaid, and Blue Cross fiscal intermediaries through June 30, 2009, June 30, 2007, and June 30, 2010, respectively.

Compliance

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, particularly those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenue from patients' services. Management believes the Organization is in substantial compliance with current laws and regulations.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 2 Reimbursement Arrangements With Third-Party Payors (Continued)

Compliance (Continued)

The Centers for Medicare & Medicaid Services (CMS) uses recovery audit contractors (RACs) as part of CMS's further efforts to ensure accurate payments. CMS uses RACs to search for potentially inaccurate Medicare payments that may have been made to health care providers and not detected through existing CMS program integrity efforts. Once a RAC identifies a claim it believes is inaccurate, CMS makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment. RAC reviews of the Organization's activities are anticipated, however, the outcome of such potential reviews is unknown and cannot be reasonably estimated as of June 30, 2011.

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30

	2011	2010
Patient accounts receivable	\$ 14,412,416	\$ 18,095,810
Less:		
Contractual adjustments	6,082,114	7,616,567
Allowance for doubtful accounts	2,487,522	4,040,448
Net patient accounts receivable	5,842,780	6,438,795
Other receivables	119,624	199,918
Accounts receivable - Net	\$ 5,962,404	\$ 6,638,713

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 4 Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides to Hospital patients. The amount of charges foregone for services and supplies furnished under the Hospital's charity care policy aggregated approximately \$1,960,000 and \$897,000 during the years ended June 30, 2011 and 2010, respectively.

Note 5 Investments

Assets Limited as to Use

Assets limited as to use, stated at fair value, consisted of the following at June 30

	2011	2010
Funds held by trustees under bond indenture	\$ 0	\$ 3,336
By board of trustees for payment of professional liability claims	0	2,006,726
Total assets limited as to use	\$ 0	\$ 2,010,062

Investment income and gains and losses on assets limited as to use, cash equivalents, and other investments included the following for the years ended June 30, 2011 and 2010

	2011	2010
Investment income - Unrestricted:		
Interest and dividend income	\$ 547,322	\$ 53,998
Net realized gain on sales of investments	408,553	310,644
Total investment income - Unrestricted	\$ 955,875	\$ 364,642
Change in net unrealized gains and losses on investments - Trading securities	\$ (46,275)	\$ 286,954

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 5 Investments (Continued)

Management assesses individual investment securities as to whether declines in market value are temporary or other than temporary. In assessing an issuer's financial condition, management evaluates various financial indicators. The length of time and extent to which the fair value of the investment is less than cost and the Hospital's ability and intent to retain the investment to allow for any anticipated recovery of the investment's fair value are key components as to whether management deems declines in fair value as temporary or other than temporary. Unrealized losses on individual investments and any declines in fair value below cost were deemed to be temporary.

Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of certain investments will occur in the near term and such changes could materially affect the amounts reported in the combined financial statements.

Note 6 Investments in Unconsolidated Affiliates

The Organization has a 4.57% interest in Upper Peninsula Managed Care, LLC and Upper Peninsula Health Plan, Inc. ("The Corporations"). The Organization recognized an increase in equity investments in unconsolidated affiliates of \$760,615 for the year ended June 30, 2011.

Detail by investment for the years ended June 30, 2011 and 2010, is as follows:

	2011		2010	
	Investments	Change	Investments	Change
The Corporations	\$ 933,888	\$ 760,615	\$ 173,273	\$ 0

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 6 Investments in Unconsolidated Affiliates (Continued)

The following is a summary of the financial position of the Organization's investments accounted for under the equity method as of June 30

	Unaudited	
	2011	2010
Assets	\$ 38,891,284	\$ 44,501,052
Liabilities	\$ 20,651,289	\$ 16,010,666
Equity	\$ 18,239,995	\$ 28,490,386

Note 7 Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value

- Cash equivalents are valued using \$1 as the net asset value (NAV)
- Mutual funds are valued at quoted market prices which represents the NAV of shares held by the Organization
- The interest rate swap agreements are recorded at the amount at which they could be settled, based on estimates by a third-party valuation service, which uses a discounted cash flow analysis using observable market-based inputs, including forward interest rate curves

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 7 Fair Value Measurements (Continued)

The following tables set forth by level, within the fair value hierarchy, the Hospital's assets and liabilities as of June 30

	2011			Total
	Fair Value Measurements Using			Liabilities
	Level 1	Level 2	Level 3	at Fair Value
Liabilities - Interest rate swap agreements	\$ 0	\$ (2,477,511)	\$ 0	\$ (2,477,511)

	2010			Total Assets/ Liabilities at Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets				
Cash equivalents	\$ 63,376	\$ 0	\$ 0	\$ 63,376
Fixed income mutual funds	577,754	0	0	577,754
Equity mutual funds	1,364,877	0	0	1,364,877
Total assets	\$ 2,006,007	\$ 0	\$ 0	\$ 2,006,007
Liabilities - Interest rate swap agreements	\$ 0	\$ (2,834,776)	\$ 0	\$ (2,834,776)

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 8 Property and Equipment

Property and equipment consisted of the following at June 30

	2011	2010
Land and land improvements	\$ 2,246,545	\$ 2,229,995
Buildings and building improvements	39,564,401	39,782,554
Equipment	18,099,869	17,979,682
Total property and equipment	59,910,815	59,992,231
Less - Accumulated depreciation	16,811,286	14,220,200
Net depreciated value	43,099,529	45,772,031
Construction in progress	0	15,000
Property and equipment - Net	\$ 43,099,529	\$ 45,787,031

Depreciation expense on property and equipment totaled \$3,097,981 and \$2,840,074 for the years ended June 30, 2011 and 2010, respectively

Note 9 Long-Term Debt

Long-term debt consisted of the following at June 30

	2011	2010
Note payable to the Michigan State Hospital Finance Authority (MSHFA) due in monthly installments of approximately \$11,000, paid in full during 2011	\$ 0	\$ 170,355
Limited Obligation Revenue Bonds, Series 2007A, dated March 1, 2007, monthly interest payments at a variable rate of LIBOR times 0.67, maturing in varying amounts through March 1, 2033	30,060,000	30,835,000

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 9 Long-Term Debt (Continued)

	2011	2010
Limited Obligation Revenue Bonds, Series 2007B, dated August 1, 2007, monthly interest payments at a variable rate of LIBOR times 0.67, maturing in varying amounts through August 1, 2032	\$ 3,450,000	\$ 3,535,000
Totals	33,510,000	34,540,355
Less:		
Original issue discounts	266,568	282,614
Current maturities	879,472	1,014,827
Long-term portion	\$ 32,363,960	\$ 33,242,914

The Series 2007A and Series 2007B Limited Obligation Revenue Bonds are secured by irrevocable direct-pay letters of credit, which expire on March 15, 2012 and August 15, 2012, respectively, and are secured by substantially all of the Organization's assets, including property, equipment, accounts receivable, and inventories. The bonds are subject to mandatory redemption upon the expiration or termination of the letters of credit unless the existing letters of credit have been extended or an alternate letter of credit has been issued. The Series 2007A and Series 2007B Limited Obligation Revenue Bonds are also guaranteed by the Organization's sole member, Superior Healthcare System. Letters of credit fees are 1.5% on the Series 2007A and 0.85% on the Series 2007B Limited Obligation Revenue Bonds through March 1, 2011 and July 1, 2011, respectively. Effective in March 1, 2011 and July 1, 2011, these fees are 2.75% for the Series 2007A and Series 2007B Limited Obligation Revenue Bonds, respectively.

The Series 2007A and Series 2007B Limited Obligation Revenue Bonds described above are remarketed on a weekly basis. Should the remarketing agent be unable to remarket the bonds based on its best efforts, the bonds would be "put" back to the trustee who would draw down on the letters of credit to pay down the Series 2007A and Series 2007B Limited Obligation Revenue Bonds.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 9 Long-Term Debt (Continued)

In connection with the issuance of the letters of credit and related Series 2007A and Series 2007B Limited Obligation Revenue Bonds, the Organization has agreed to certain financial covenants relating to debt service coverage, days cash on hand, aging of accounts receivable, and various other operational covenants. At June 30, 2010, the Organization was in violation of these financial covenants. Amendment No. 2 to the Reimbursement Agreement waived these financial covenants through June 30, 2011, and established new monthly covenants for the period from January 1, 2011 through June 30, 2011, including modifications to certain financial covenants. At June 30, 2011, the Organization was in violation with one of the new covenants, resulting in the bank hiring an independent consultant for the purpose of reviewing the financial reporting and system processes of the Organization.

Effective January 26, 2012, the Organization entered into a Forbearance Agreement and Amendment No. 3 to the Reimbursement Agreement related to the Series 2007A Limited Obligation Revenue Bonds. The agreements stipulate additional covenants that the Organization must comply with related to the bonds. With these agreements in place, the Organization's letter of credit related to the Series 2007A Limited Obligation Revenue Bonds was extended through March 15, 2015. Based on the extension of the letter of credit, the Organization classified the related debt as long-term on the accompanying combined balance sheets at June 30, 2011.

Scheduled payments of principal on long-term debt at June 30, 2011, including current maturities, are summarized as follows:

2012	\$ 879,472
2013	945,000
2014	985,000
2015	1,035,000
2016	1,080,000
Thereafter	28,585,528
<hr/>	
Total	\$ 33,510,000

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 10 Interest Rate Swap Agreements

In conjunction with the issuance of the Series 2007A and Series 2007B Limited Obligation Revenue Bonds (Note 9), the Organization entered into two interest rate swap agreements for the purpose of mitigating the floating interest rate risk on the variable rate bonds. The notional amount of the swap agreements was \$23,576,250 and \$24,216,250 at June 30, 2011 and 2010, respectively. The Organization pays a fixed rate of 3.500% and 3.665% for the Series 2007A and Series 2007B Limited Obligation Revenue Bonds, respectively, and receives a variable rate of 0.67 of LIBOR.

The interest rate swap agreements were recorded as liabilities of \$2,477,511 and \$2,834,776 as of June 30, 2011 and 2010, respectively. The Organization recognized income of \$357,265 and expense of \$849,572 during the years ended June 30, 2011 and 2010, respectively, included in other income (deductions) in the accompanying combined statements of operations.

The Organization is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap agreements. However, the Organization does not anticipate nonperformance by the counterparty.

Note 11 Temporarily Restricted Net Assets

Temporarily restricted net assets reflect the interest in the Foundation and are restricted for the replacement Hospital facility project and related property and equipment purchases.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 12 Leases

The Hospital leases various equipment under capital lease obligations. Capital assets included the following amounts at June 30 for leases that have been capitalized:

	2011	2010
Equipment	\$ 281,762	\$ 143,901
Less - Accumulated amortization	41,667	3,430
Totals	\$ 240,095	\$ 140,471

Future minimum payments, by year and in the aggregate, under capital leases with initial or remaining terms in excess of one year consisted of the following:

2012	\$ 75,263
2013	75,263
2014	61,678
2015	16,224
2016	1,279
Total minimum lease payments	229,707
Amount representing interest	21,309
Present value of net minimum lease payments	208,398
Less - Current portion	64,519
Long-term obligations under capital leases	\$ 143,879

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 13 Net Patient Service Revenue

Net patient service revenue consisted of the following

	2011	2010
Gross patient service revenue:		
Inpatient services	\$ 21,532,023	\$ 22,152,093
Outpatient services	73,684,699	64,836,861
Total gross patient service revenue	95,216,722	86,988,954
Less - Contractual adjustments and other discounts	46,199,141	39,641,641
Net patient service revenue	<u>\$ 49,017,581</u>	<u>\$ 47,347,313</u>

The Hospital's mix of gross revenue from patients and third-party payors at June 30 is as follows

	2011	2010
Medicare	44%	44%
Medicaid	13%	11%
Blue Cross	31%	31%
Other commercial payors	9%	11%
Patients	3%	3%
Totals	<u>100%</u>	<u>100%</u>

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 14 Malpractice Insurance

The Organization's professional liability insurance for claim losses of less than \$1 million per claim and \$3 million per year covers professional liability claims reported during a policy year ("claims made" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending through April 2012.

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Organization. The Organization has included a provision of \$700,000 and \$750,000 at June 30, 2011 and 2010, respectively, in accrued and other liabilities for potential claims from services provided to patients which have not yet been asserted as of June 30, 2011 and 2010.

Note 15 Retirement Plans

The Organization has two noncontributory pension plans that together cover substantially all employees who meet service and age requirements.

Union employees are covered under a defined contribution plan that is administered under a collective bargaining arrangement.

The Plan provides for either profit sharing or matching contributions to be made by the Plan Sponsor to eligible participants. Employees who were eligible for the Bell Memorial Hospital Non-Union Pension Plan prior to it being frozen on November 1, 2005, are eligible to receive employer profit sharing contributions. The amount of profit sharing contributions received by an eligible participant is based on a specified percentage of the participant's annual pay as specified in the plan documents. Nonunion, noncontingent participants who are not eligible to receive the employer profit sharing contributions are instead eligible to receive employer matching contributions. Employer matching contributions are based on 100% of the pretax contributions made by the participant, up to a maximum of 5.5% of the employee's pay. Amounts contributed to the Plan from other qualified plans are not matched.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 15 Retirement Plans (Continued)

Expenses under the defined contribution plans for the years ended June 30, 2011 and 2010, were approximately \$1,185,000 and \$1,155,000, respectively

The Organization also sponsors a defined benefit pension plan. The Organization's Board of Directors voted to freeze the future accrual of benefits under the defined benefit pension plan effective November 1, 2005.

The following table sets forth the defined benefit pension plan's funded status and amounts recognized in the accompanying combined balance sheets for the defined benefit pension plan at June 30

	2011	2010
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 10,301,342	\$ 8,757,684
Interest cost	531,873	536,727
Actuarial (gain) loss	(348,104)	1,303,707
Benefits paid	(326,241)	(296,776)
Benefit obligation at end of year	10,158,870	10,301,342
Change in plan assets:		
Fair value of plan assets at beginning of year	6,345,717	5,798,339
Actual return on plan assets	1,620,562	844,154
Employer contributions	10,887	0
Benefits paid	(326,241)	(296,776)
Fair value of plan assets at end of year	7,650,925	6,345,717
Funded status at end of year	\$ (2,507,945)	\$ (3,955,625)

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 15 Retirement Plans (Continued)

Pension expense for the years ended June 30 was comprised of the following

	2011	2010
Pension expense:		
Interest cost	\$ 531,873	\$ 536,727
Expected return on assets	(433,820)	(393,980)
Amortization of unrecognized loss	79,075	55,264
Total pension expense	\$ 177,128	\$ 198,011

Amounts recognized in the accompanying combined balance sheets consisted of the following at June 30

	2011	2010
Pension liability	\$ 2,507,945	\$ 3,955,625
Net assets:		
Net (gain) loss	\$ 1,526,755	\$ (853,533)
Amortization recognized	(79,075)	(55,264)
Total amount recognized in net assets	\$ 1,447,680	\$ (908,797)

Weighted average assumptions used as of June 30, the measurement date, in developing the net periodic benefit cost were as follows

	2011	2010
Discount rate	5.25%	6.25%
Expected return on plan assets	7.00%	7.00%

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 15 Retirement Plans (Continued)

To develop the expected long-term rate of return on asset assumptions, the Organization considered the historical returns and future expectations for returns in each asset class, as well as targeted asset allocation percentages within the pension portfolio

The defined benefit pension plan's asset allocations at June 30 were as follows

	2011	2010
Cash, cash equivalents, and receivables	1.48%	2.20%
Mutual funds - Equity	72.15%	68.52%
Mutual funds - Fixed income	26.37%	29.28%
Totals	100.00%	100.00%

Following is a description of the valuation methodologies used for pension assets measured at fair value. There have been no changes in the methodologies used at June 30, 2011 and 2010. Cash and cash equivalents are valued at historical cost, which approximates fair value. Mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 15 Retirement Plans (Continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets within the defined benefit pension plan at fair value as of June 30

	Assets at Fair Value as of June 30, 2011			
	Level 1	Level 2	Level 3	Total
Money market fund	\$ 111,185	\$ 0	\$ 0	\$ 111,185
Mutual funds				
Growth funds	3,112,569	0	0	3,112,569
Intermediate-term bond funds	2,019,382	0	0	2,019,382
International funds	825,650	0	0	825,650
Value funds	1,582,139	0	0	1,582,139
Total mutual funds	7,539,740	0	0	7,539,740
Total assets at fair value	\$ 7,650,925	\$ 0	\$ 0	\$ 7,650,925

	Assets at Fair Value as of June 30, 2010			
	Level 1	Level 2	Level 3	Total
Money market fund	\$ 137,158	\$ 0	\$ 0	\$ 137,158
Mutual funds				
Blend funds	250,649	0	0	250,649
Growth funds	2,400,227	0	0	2,400,227
Intermediate-term bond funds	1,859,976	0	0	1,859,976
International funds	662,903	0	0	662,903
Value funds	1,034,804	0	0	1,034,804
Total mutual funds	6,208,559	0	0	6,208,559
Total assets at fair value	\$ 6,345,717	\$ 0	\$ 0	\$ 6,345,717

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 15 Retirement Plans (Continued)

Estimated Future Benefit Payments

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

2012	\$	349,792
2013		386,246
2014		443,416
2015		472,047
2016		513,679
Succeeding five years		3,310,852

Note 16 Self-Funded Health Insurance

The Organization sponsors a self-funded health insurance plan covering substantially all of its employees and their dependents, of which some services are provided by the Organization. The health insurance expense is based upon actual claims paid, administration fees, and provisions for unpaid and unreported claims at year-end. Health insurance expense was approximately \$2,300,000 and \$2,700,000 for the years ended June 30, 2011 and 2010, respectively.

A provision of approximately \$300,000 and \$319,000 for unpaid and unasserted claims at June 30, 2011 and 2010, respectively, was included in accrued and other liabilities in the accompanying combined balance sheets. Management believes this provision is sufficient to cover estimated claims, including claims incurred but not yet reported.

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 17 Functional Expenses

The Organization is a general acute care facility that provides inpatient and outpatient health care services and clinic services to patients in Ishpeming, Michigan, and the surrounding area. Expenses related to providing these services were as follows:

	2011	2010
Health care services	\$ 41,738,213	\$ 45,272,338
General and administrative	12,636,992	11,196,046
Total	\$ 54,375,205	\$ 56,468,384

Note 18 Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist principally of accounts receivable, interest rate swap agreements, and cash deposits in excess of insured limits in financial institutions.

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients. The majority of the Hospital's patients are from Ishpeming, Michigan, and the surrounding areas. The mix of receivables from patients and third-party payors was as follows at June 30:

	2011	2010
Medicare	30%	29%
Medicaid	7%	15%
Other third-party payors	42%	33%
Patients	21%	23%
Totals	100%	100%

Bell Memorial Hospital and Affiliate

Notes to Combined Financial Statements

Note 18 Concentration of Credit Risk (Continued)

The Organization maintains depository relationships with area financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). On November 9, 2010, the FDIC issued a final rule implementing Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides for unlimited insurance coverage of non-interest-bearing transaction accounts through December 31, 2012. The Organization maintains cash in interest-bearing accounts at these institutions that are insured by the FDIC up to \$250,000. At June 30, 2011, the Organization's bank balances in excess of FDIC-insured limits were approximately \$9,500,000. In addition, other investments held by financial institutions are uninsured.

Note 19 Reclassifications

Certain reclassifications have been made to the 2010 combined financial statements to conform to the 2011 classifications.

Additional Information



Independent Auditor's Report on Additional Information

Board of Directors
Bell Memorial Hospital
Ishpeming, Michigan

Our report on our audit of the combined financial statements of Bell Memorial Hospital and Affiliate for the year ended June 30, 2011, appears on page 1. That audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The additional information appearing on pages 38 through 41 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

Wipfli LLP

Wipfli LLP

February 21, 2012
Green Bay, Wisconsin

Bell Memorial Hospital and Affiliate

Combining Balance Sheet

June 30, 2011

<i>Assets</i>	Bell Memorial Hospital	Bell Medical Center	Eliminations	Total
Current assets				
Cash and cash equivalents	\$ 10,270,679	\$ 52,287	\$ 0	\$ 10,322,966
Accounts receivable - Net	4,481,493	1,480,911	0	5,962,404
Inventories	1,560,414	0	0	1,560,414
Prepaid expenses and other	381,269	34,024		415,293
Amounts due from third-party reimbursement programs	3,027	0	0	3,027
Total current assets	16,696,882	1,567,222	0	18,264,104
Property and equipment - Net	42,698,696	400,833	0	43,099,529
Beneficial interest in net assets of Bell Foundation	152,068	0	0	152,068
Other assets				
Unamortized bond issue costs	251,877	0	0	251,877
Notes receivable	0	393,323	0	393,323
Investments in unconsolidated affiliates	933,888	0	0	933,888
Other	147,036	6,207	0	153,243
Total other assets	1,332,801	399,530	0	1,732,331
 TOTAL ASSETS	 \$ 60,880,447	 \$ 2,367,585	 \$ 0	 \$ 63,248,032

<i>Liabilities and Net Assets</i>	Bell Memorial Hospital	Bell Medical Center	Eliminations	Total
Current liabilities				
Current maturities of long-term debt	\$ 879,472	\$ 0	\$ 0	\$ 879,472
Current portion of obligations under capital leases	64,519	0	0	64,519
Accounts payable	1,277,781	102,880	0	1,380,661
Accrued and other liabilities	2,219,297	540,890	0	2,760,187
Total current liabilities	4,441,069	643,770	0	5,084,839
Long-term liabilities				
Long-term debt	32,363,960	0	0	32,363,960
Obligations under capital leases	143,879	0	0	143,879
Interest rate swap agreements	2,477,511	0	0	2,477,511
Pension liability	2,507,945	0	0	2,507,945
Other liabilities	1,300,000	0	0	1,300,000
Total long-term liabilities	38,793,295	0	0	38,793,295
Total liabilities	43,234,364	643,770	0	43,878,134
Net assets				
Unrestricted	17,494,015	1,723,815	0	19,217,830
Temporarily restricted	152,068	0	0	152,068
Total net assets	17,646,083	1,723,815	0	19,369,898
TOTAL LIABILITIES AND NET ASSETS	\$ 60,880,447	\$ 2,367,585	\$ 0	\$ 63,248,032

Bell Memorial Hospital and Affiliate

Combining Balance Sheet

June 30, 2010

<i>Assets</i>	Bell Memorial Hospital	Bell Medical Center	Eliminations	Total
Current assets				
Cash and cash equivalents	\$ 6,433,839	\$ 0	\$ 0	\$ 6,433,839
Accounts receivable - Net	4,983,105	1,655,608	0	6,638,713
Inventories	1,618,717	32,817	0	1,651,534
Prepaid expenses and other	287,811	36,464		324,275
Total current assets	13,323,472	1,724,889	0	15,048,361
Property and equipment - Net	45,151,542	635,489	0	45,787,031
Assets limited as to use	2,010,062	0	0	2,010,062
Beneficial interest in net assets of Bell Foundation	1,825,536	0	0	1,825,536
Other assets				
Unamortized bond issue costs	266,549	0	0	266,549
Notes receivable	0	1,666	0	1,666
Investments in unconsolidated affiliates	173,273	0	0	173,273
Other	77,858	6,207	0	84,065
Total other assets	517,680	7,873	0	525,553
TOTAL ASSETS	\$ 62,828,292	\$ 2,368,251	\$ 0	\$ 65,196,543

<i>Liabilities and Net Assets</i>	Bell Memorial Hospital	Bell Medical Center	Eliminations	Total
Current liabilities				
Current maturities of long-term debt	\$ 1,014,827	\$ 0	\$ 0	\$ 1,014,827
Accounts payable	1,810,585	136,363	0	1,946,948
Accrued and other liabilities	2,130,144	524,669	0	2,654,813
Amounts due to third-party reimbursement programs	1,025,437	0	0	1,025,437
Total current liabilities	5,980,993	661,032	0	6,642,025
Long-term liabilities				
Long-term debt	33,242,914	0	0	33,242,914
Obligations under capital leases	114,793	0		114,793
Interest rate swap agreements	2,834,776	0	0	2,834,776
Pension liability	3,955,625	0	0	3,955,625
Other liabilities	1,350,000	0	0	1,350,000
Total long-term liabilities	41,498,108	0	0	41,498,108
Total liabilities	47,479,101	661,032	0	48,140,133
Net assets				
Unrestricted	13,523,655	1,707,219	0	15,230,874
Temporarily restricted	1,825,536	0	0	1,825,536
Total net assets	15,349,191	1,707,219	0	17,056,410
TOTAL LIABILITIES AND NET ASSETS	\$ 62,828,292	\$ 2,368,251	\$ 0	\$ 65,196,543

Bell Memorial Hospital and Affiliate

Combining Statement of Operations

Year Ended June 30, 2011

	Bell Memorial Hospital	Bell Medical Center	Eliminations	Total
Revenue				
Patient service revenue	\$80,115,805	\$15,100,917	\$ 0	\$95,216,722
Revenue deductions	(39,190,805)	(7,008,336)	0	(46,199,141)
Net patient service revenue	40,925,000	8,092,581	0	49,017,581
Other revenue	2,314,019	1,304,051	0	3,618,070
Total revenue	43,239,019	9,396,632	0	52,635,651
Expenses				
Salaries and wages	16,611,480	7,676,359	0	24,287,839
Employee benefits	4,196,002	1,484,729	0	5,680,731
Supplies	5,928,917	687,127	0	6,616,044
Purchased services	1,909,428	1,566,394	0	3,475,822
Insurance	425,341	143,176	0	568,517
Other health care expenses	5,010,923	600,803	0	5,611,726
Depreciation and amortization	2,708,326	404,327	0	3,112,653
Provision for bad debts	2,990,942	565,285	0	3,556,227
Interest	1,317,797	147,849	0	1,465,646
Total expenses	41,099,156	13,276,049	0	54,375,205
Income (loss) from operations	2,139,863	(3,879,417)	0	(1,739,554)
Other income (deductions)				
Investment income	955,875	0	0	955,875
Contributions	4,182	0	0	4,182
Loss on disposal of property and equipment	(91,932)	0	0	(91,932)
Change in net unrealized gains and losses on investments - Trading securities	(46,275)	0	0	(46,275)
Change in equity investments in unconsolidated affiliates	760,615	0	0	760,615
Change in fair value of interest rate swap agreements	357,265	0	0	357,265
Excess (deficiency) of revenue over expenses	4,079,593	(3,879,417)	0	200,176
Other changes in unrestricted net assets				
Transfer to affiliate	(3,896,013)	3,896,013	0	0
Pension-related changes other than net periodic pension cost	1,447,680	0	0	1,447,680
Net assets released from restrictions	2,339,100	0	0	2,339,100
Increase in unrestricted net assets	\$ 3,970,360	\$16,596	\$0	\$ 3,986,956

See Independent Auditor's Report on Additional Information

Bell Memorial Hospital and Affiliate

Combining Statement of Operations

Year Ended June 30, 2010

	Bell Memorial Hospital	Bell Medical Center	Eliminations	Total
Revenue				
Patient service revenue	\$ 73,754,103	\$ 13,234,851	\$ 0	\$ 86,988,954
Revenue deductions	(34,646,954)	(4,994,687)	0	(39,641,641)
Net patient service revenue	39,107,149	8,240,164	0	47,347,313
Other revenue	961,406	1,128,044	0	2,089,450
Total revenue	40,068,555	9,368,208	0	49,436,763
Expenses				
Salaries and wages	15,792,332	7,958,544	0	23,750,876
Employee benefits	4,780,359	1,551,007	0	6,331,366
Supplies	5,423,108	687,136	0	6,110,244
Purchased services	1,395,467	1,324,743	0	2,720,210
Insurance	378,900	189,237	0	568,137
Other health care expenses	5,045,062	570,761	0	5,615,823
Depreciation and amortization	2,499,041	355,706	0	2,854,747
Provision for bad debts	4,890,046	1,615,239	0	6,505,285
Interest	1,896,512	115,184	0	2,011,696
Total expenses	42,100,827	14,367,557	0	56,468,384
Loss from operations	(2,032,272)	(4,999,349)	0	(7,031,621)
Other income (deductions)				
Investment income	364,642	0	0	364,642
Contributions	634,142	0	0	634,142
Gain on disposal of property and equipment	38,349	0	0	38,349
Change in net unrealized gains and losses on investments - Trading securities	286,954	0	0	286,954
Change in fair value of interest rate swap agreements	(849,572)	0	0	(849,572)
Deficiency of revenue over expenses	(1,557,757)	(4,999,349)	0	(6,557,106)
Other changes in unrestricted net assets				
Transfer to affiliate	(4,586,198)	4,586,198	0	0
Pension-related changes other than net periodic pension cost	(908,797)	0	0	(908,797)
Decrease in unrestricted net assets	\$ (7,052,752)	\$ (413,151)	\$ 0	\$ (7,465,903)