

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

**Return of Organization Exempt From Income Tax**  
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)  
 The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047  
**2005**  
**Open to Public Inspection**

**A For the 2005 calendar year, or tax year beginning 01-01-2005 and ending 12-31-2005**

- B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

**C Name of organization**  
 The King's Daughters' Hospital and Health Services and Health Services

**Number and street (or P O box if mail is not delivered to street address) Room/suite**  
 One Kings Daughters Drive

**City or town, state or country, and ZIP + 4**  
 Madison, IN 47250

**D Employer identification number**  
 35-0895832

**E Telephone number**  
 (812) 265-5211

**F Accounting method**  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

**G Web site:** www.kingsdaughtershospital.org

**J Organization type** (check only one)  501(c)(3) (insert no )  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

**H and I are not applicable to section 527 organizations**

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

**H(b)** If "Yes" enter number of affiliates: \_\_\_\_\_

**H(c)** Are all affiliates included?  Yes  No (If "No," attach a list. See instructions.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number: \_\_\_\_\_

**M** Check  if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 112,797,405

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions.)

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	<b>1a</b>	71,769		
	<b>b</b> Indirect public support	<b>1b</b>			
	<b>c</b> Government contributions (grants)	<b>1c</b>	235,500		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ 307,269 noncash \$ _____)	<b>1d</b>		307,269	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		101,035,660	
	<b>3</b> Membership dues and assessments	<b>3</b>			
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>		500,097	
	<b>5</b> Dividends and interest from securities	<b>5</b>		389,352	
	<b>6a</b> Gross rents	<b>6a</b>	11,822		
	<b>b</b> Less rental expenses	<b>6b</b>			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>		11,822	
	<b>7</b> Other investment income (describe _____)	<b>7</b>			
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		9,766,448	<b>8a</b>	322,968	
	<b>b</b> Less cost or other basis and sales expenses	8,241,731	<b>8b</b>	302,948	
	<b>c</b> Gain or (loss) (attach schedule)	1,524,717	<b>8c</b>	20,020	
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>		1,544,737		
<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	<b>a</b> Gross revenue (not including \$ 23,633 of contributions reported on line 1a)	<b>9a</b>	12,790		
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>	26,840		
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>		-14,050	
	<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>			
<b>b</b> Less cost of goods sold	<b>10b</b>				
<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>				
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>		450,999		
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		104,225,886		
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>		82,364,479	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>		9,346,724	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>			
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>		91,711,203	
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		12,514,683	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		65,164,932	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>		-293,503	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>		77,386,112	

**Part II Statement of Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
<b>22</b>	Grants and allocations (attach schedule)  (cash \$ <u>288,467</u> noncash \$ <u>28,483</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22</b>	316,950	316,950		
<b>23</b>	Specific assistance to individuals (attach schedule)	<b>23</b>	4,500	4,500		
<b>24</b>	Benefits paid to or for members (attach schedule)	<b>24</b>				
<b>25</b>	Compensation of officers, directors, etc . . . . .	<b>25</b>	1,883,002	1,692,819	190,183	
<b>26</b>	Other salaries and wages . . . . .	<b>26</b>	42,442,356	36,530,251	5,912,105	
<b>27</b>	Pension plan contributions . . . . .	<b>27</b>	2,443,225	2,193,283	249,942	
<b>28</b>	Other employee benefits . . . . .	<b>28</b>	4,955,607	4,448,648	506,959	
<b>29</b>	Payroll taxes . . . . .	<b>29</b>	2,781,102	2,496,595	284,507	
<b>30</b>	Professional fundraising fees . . . . .	<b>30</b>				
<b>31</b>	Accounting fees . . . . .	<b>31</b>				
<b>32</b>	Legal fees . . . . .	<b>32</b>	93,614	84,037	9,577	
<b>33</b>	Supplies . . . . .	<b>33</b>	4,881,070	4,381,737	499,333	
<b>34</b>	Telephone . . . . .	<b>34</b>	444,061	398,634	45,427	
<b>35</b>	Postage and shipping . . . . .	<b>35</b>	288,999	259,434	29,565	
<b>36</b>	Occupancy . . . . .	<b>36</b>	986,617	885,686	100,931	
<b>37</b>	Equipment rental and maintenance . . . . .	<b>37</b>	1,076,679	966,535	110,144	
<b>38</b>	Printing and publications . . . . .	<b>38</b>				
<b>39</b>	Travel . . . . .	<b>39</b>	133,246	119,615	13,631	
<b>40</b>	Conferences, conventions, and meetings . . . . .	<b>40</b>				
<b>41</b>	Interest . . . . .	<b>41</b>	955,238	857,517	97,721	
<b>42</b>	Depreciation, depletion, etc (attach schedule)	<b>42</b>	3,764,136	3,379,065	385,071	
<b>43</b>	Other expenses not covered above (itemize)					
<b>a</b>	See Additional Data Table	<b>43a</b>				
<b>b</b>		<b>43b</b>				
<b>c</b>		<b>43c</b>				
<b>d</b>		<b>43d</b>				
<b>e</b>		<b>43e</b>				
<b>f</b>		<b>43f</b>				
<b>g</b>		<b>43g</b>				
<b>44</b>	<b>Total functional expenses.</b> Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	<b>44</b>	91,711,203	82,364,479	9,346,724	0

**Joint Costs.** Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► PROVIDING MEDICAL SERVICES  All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)
<b>a</b> the king's daughters' hospital and health services is a not-for-profit, acute-care hospital owned by the bethany circle of king's daughters' of madison, indiana, inc, located in madison, indiana. the hospital is organized for the purpose of providing health care services to the residents of jefferson county and the surrounding area.  (Grants and allocations \$ 133,784) If this amount includes foreign grants, check here ► <input type="checkbox"/>	80,088,645
<b>b</b> the hospital's primary sources of support are from patient revenues. patient revenues include funds received from medicare, state agencies, insurance companies, and the patients themselves. in 2005, the king's daughters' hospital and health services provided \$2,088,168 in care to patients who met the hospital's charity care policy.  (Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	2,088,168
<b>c</b> in 2000, the king's daughters' hospital and health services established the community health initiatives endowment to help provide a teamwork approach toward improving the health of the broad community served by the hospital. the community health initiatives endowment awarded \$187,666 to qualified local and regional organizations during 2005.  (Grants and allocations \$ 187,666) If this amount includes foreign grants, check here ► <input type="checkbox"/>	187,666
<b>d</b> <hr/> <hr/> (Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>e</b> Other program services (attach schedule) (Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . ►	82,364,479

**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)
		Beginning of year		End of year
Assets	<b>45</b> Cash—non-interest-bearing . . . . .		<b>45</b>	
	<b>46</b> Savings and temporary cash investments . . . . .	16,016,336	<b>46</b>	12,687,621
	<b>47a</b> Accounts receivable . . . . .	<b>47a</b> 17,592,190		
	<b>b</b> Less allowance for doubtful accounts . . . . .	<b>47b</b> 2,791,740	14,093,300	<b>47c</b> 14,800,450
	<b>48a</b> Pledges receivable . . . . .	<b>48a</b>		
	<b>b</b> Less allowance for doubtful accounts . . . . .	<b>48b</b>		<b>48c</b>
	<b>49</b> Grants receivable . . . . .			<b>49</b>
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .			<b>50</b>
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . .	<b>51a</b> 450,065		
	<b>b</b> Less allowance for doubtful accounts . . . . .	<b>51b</b>	389,026	<b>51c</b> 450,065
	<b>52</b> Inventories for sale or use . . . . .		1,774,433	<b>52</b> 1,673,718
	<b>53</b> Prepaid expenses and deferred charges . . . . .		1,086,371	<b>53</b> 498,779
	<b>54</b> Investments—securities (attach schedule) . . . . .	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	19,103,531	<b>54</b> 34,175,610
	<b>55a</b> Investments—land, buildings, and equipment basis . . . . .	<b>55a</b>		
	<b>b</b> Less accumulated depreciation (attach schedule) . . . . .	<b>55b</b>		<b>55c</b>
<b>56</b> Investments—other (attach schedule) . . . . .			<b>56</b>	
<b>57a</b> Land, buildings, and equipment basis . . . . .	<b>57a</b> 72,775,401			
<b>b</b> Less accumulated depreciation (attach schedule) . . . . .	<b>57b</b> 37,850,956	34,272,990	<b>57c</b> 34,924,445	
<b>58</b> Other assets (describe <input type="checkbox"/> _____)		5,108,647	<b>58</b> 4,802,712	
<b>59 Total assets</b> (must equal line 74) Add lines 45 through 58 . . . . .		91,844,634	<b>59</b> 104,013,400	
Liabilities	<b>60</b> Accounts payable and accrued expenses . . . . .		6,434,075	<b>60</b> 7,794,688
	<b>61</b> Grants payable . . . . .			<b>61</b>
	<b>62</b> Deferred revenue . . . . .			<b>62</b>
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .			<b>63</b>
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .		18,019,905	<b>64a</b> 16,784,315
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .		18,518	<b>64b</b>
	<b>65</b> Other liabilities (describe <input type="checkbox"/> _____)		2,207,204	<b>65</b> 2,048,285
<b>66 Total liabilities</b> Add lines 60 through 65 . . . . .		26,679,702	<b>66</b> 26,627,288	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>			
	<b>67</b> Unrestricted . . . . .		65,030,129	<b>67</b> 77,259,162
	<b>68</b> Temporarily restricted . . . . .		124,803	<b>68</b> 116,950
	<b>69</b> Permanently restricted . . . . .		10,000	<b>69</b> 10,000
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>			
	<b>70</b> Capital stock, trust principal, or current funds . . . . .			<b>70</b>
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .			<b>71</b>
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .			<b>72</b>
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) <b>must</b> equal line 19, column (B) <b>must</b> equal line 21) . . . . .		65,164,932	<b>73</b> 77,386,112
	<b>74 Total liabilities and net assets / fund balances</b> Add lines 66 and 73 . . . . .		91,844,634	<b>74</b> 104,013,400





**Part VI Other Information** (continued)

	Yes	No
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<b>82a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>82a</b>	Yes	
<b>b</b> If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	<b>82b</b>		
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	Yes	
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	Yes	
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>		No
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>		
<b>85 501(c)(4), (5), or (6) organizations. a</b> Were substantially all dues nondeductible by members?	<b>85a</b>		
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes," was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year	<b>85b</b>		
<b>c</b> Dues assessments, and similar amounts from members	<b>85c</b>		
<b>d</b> Section 162(e) lobbying and political expenditures	<b>85d</b>		
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85e</b>		
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>		
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85g</b>		
<b>h</b> If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<b>85h</b>		
<b>86 501(c)(7) orgs.</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>		
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>		
<b>87 501(c)(12) orgs.</b> Enter <b>a</b> Gross income from members or shareholders	<b>87a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>87b</b>		
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	<b>88</b>	Yes	
<b>89a 501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____			
<b>b 501(c)(3) and 501(c)(4) orgs.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	<b>89b</b>		No
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization			
<b>90a</b> List the states with which a copy of this return is filed <b>IN</b>			
<b>b</b> Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	<b>90b</b>		977
<b>91a</b> The books are in care of <b>THE KINGS DAUGHTERS HOSPITAL</b> Telephone no <b>(812) 265-5211</b> Located at <b>ONE KINGS DAUGHTERS DRIVE</b> <b>MADISON, IN</b> ZIP + 4 <b>47250</b>			
<b>b</b> At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>91b</b>	Yes	No
If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts			
<b>c</b> At any time during the calendar year, did the organization maintain an office outside of the United States?	<b>91c</b>		No
If "Yes," enter the name of the foreign country _____			
<b>92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041</b> —Check here _____ and enter the amount of tax-exempt interest received or accrued during the tax year	<b>92</b>		

**Part VII Analysis of Income-Producing Activities** (See the instructions.)

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue					
<b>a</b> NET PATIENT SERVICES	621500	66,302			100,969,358
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>f</b> Medicare/Medicaid payments . . . . .					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments			14	500,097	
<b>96</b> Dividends and interest from securities . . . . .			14	389,352	
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property . . . . .					11,822
<b>b</b> non debt-financed property . . . . .					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory			18	1,544,737	
<b>101</b> Net income or (loss) from special events . . . . .			01	-14,050	
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue <b>a</b> CAFETERIA			03	228,886	
<b>b</b> GIFT SHOP			03	99,121	
<b>c</b> TUITION					31,000
<b>d</b> OTHER					103,251
<b>e</b> BETHANY CIRCLE GA in net					-11,259
<b>104</b> Subtotal (add columns (B), (D), and (E)) . . . . .		66,302		2,748,143	101,104,172
<b>105 Total</b> (add line 104, columns (B), (D), and (E)) . . . . .					103,918,617

**Note:** Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	THE TREATMENT AND CARE OF THE ILL OR INJURED MEMBERS OF THE MADISON COMMUNITY AND SURROUNDING JEFFERSON COUNTY AREA IS OUR EXEMPT PURPOSE
97A	THE RENTAL INCOME IS FROM THE RENTAL OF PROPERTY OWNED BY THE HOSPITAL THAT IS LEASED TO PHYSICIANS AND OTHER HEALTH CARE PROFESSIONALS TO ALLOW THEM TO HAVE OFFICES OR OTHER HEALTH CARE FACILITIES LOCATED NEAR THE HOSPITAL
103	THE HOSPITAL PROVIDES THESE SERVICES TO BENEFIT THE COMMUNITY AND they ARE STRONGLY RELATED TO THE ACCOMPLISHMENT OF THE HOSPITAL'S EXEMPT PURPOSE

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
MADISON CATHETERIZATION SERVICES LLC ONE KINGS DAUGHTERS DRIVE MADISON, IN47250 20-3391301	51 0000	CATHETERIZATION SERVICES	128,650	86,119
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

**NOTE:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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

**Please Sign Here**

\*\*\*\*\*  
Signature of officer \_\_\_\_\_ Date 2006-11-13

STEVE MEACHAM VP Finance  
Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed

Firm's name (or yours if self-employed), address, and ZIP + 4 BLUE & CO LLC  
2501 NELSON MILLER PARKWAY Suite 10  
LOUISVILLE, KY 40223

Preparer's SSN or PTIN (See Gen Inst W) \_\_\_\_\_  
EIN \_\_\_\_\_  
Phone no (502) 992-3500

**SCHEDULE A  
(Form 990 or  
990EZ)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information—(See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2005**

Department of the  
Treasury  
Internal Revenue  
Service

Name of the organization  
The King's Daughters' Hospital and Health Services  
and Health Services

**Employer identification number**

35-0895832

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
MELVIN SKILES 1312 MICHIGAN ROAD MADISON, IN 47250	PHYSICIAN 40 00	596,844	14,500	0
WILLIAM SKILES 2207 NORTH BORCHERDING ROAD MADISON, IN 47250	PHYSICIAN 40 00	617,825	14,500	0
PAUL ROSENBERG 307 HILLCREST DRIVE MADISON, IN 47250	PHYSICIAN 40 00	448,842	14,500	0
THOMAS ECKERT 732 WEST MAIN STREET MADISON, IN 47250	PHYSICIAN 40 00	513,752	14,500	0
GIL WEIZER 501 South INDIAN CAVE ROAD MADISON, IN 47250	PHYSICIAN 40 00	818,062	14,500	0
Total number of other employees paid over \$50,000 ▶	206			

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
OHIO VALLEY DIAGNOSTICS ONE WEST 6TH STREET MADISON, IN 47250	CARDIAC CATH SERVICE	467,450
CHG COMPANIES PO BOX 972651 DALLAS, TX 75397	CONTRACTED PHYSICIAN	449,848
MAYO COLLABORATIVE SERVICES INC PO BOX 9146 MINNEAPOLIS, MN 55480	LAB SERVICES	366,420
BLUE CO LLC 2501 NELSON MILLER PARKWAY LOUISVILLE, KY 40232	ACCOUNTING SERVICES	238,636
MEDICUS STAFFING LLC 7 RED ROOF LANE SUITE 3 SALEM, NH 03079	CONTRACTED MEDICAL S	175,632
Total number of others receiving over \$50,000 for professional services ▶	24	

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page X for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
WEHR CONSTRUCTORS PO BOX 32185 LOUISVILLE, KY 40232	CONSTRUCTION	721,465
TETON CORPORATION 3217 NORTH STATE ROAD 7 MADISON, IN 47250	CONSTRUCTION	588,564
Total number of other contractors receiving over \$50,000 for other services ▶		

<b>Part III Statements About Activities</b> (See page 2 of the instructions.)		Yes	No
<b>1</b>	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities <b>▶</b> \$ <u>2,367</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	<b>1</b> Yes	
<b>2</b>	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) <input type="checkbox"/>		
<b>a</b>	Sale, exchange, or leasing property?	<b>2a</b>	No
<b>b</b>	Lending of money or other extension of credit?	<b>2b</b>	Yes
<b>c</b>	Furnishing of goods, services, or facilities?	<b>2c</b>	Yes
<b>d</b>	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	<b>2d</b>	Yes
<b>e</b>	Transfer of any part of its income or assets?	<b>2e</b>	No
<b>3a</b>	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) <input type="checkbox"/>	<b>3a</b>	Yes
<b>b</b>	Do you have a section 403(b) annuity plan for your employees?	<b>3b</b>	Yes
<b>c</b>	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	<b>3c</b>	No
<b>4a</b>	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	<b>4a</b>	No
<b>b</b>	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	<b>4b</b>	No

<b>Part IV Reason for Non-Private Foundation Status</b> (See pages 3 through 6 of the instructions.)	
The organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box.)	
<b>5</b>	<input type="checkbox"/> A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
<b>6</b>	<input type="checkbox"/> A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
<b>7</b>	<input checked="" type="checkbox"/> A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
<b>8</b>	<input type="checkbox"/> A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)
<b>9</b>	<input type="checkbox"/> A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). <b>Enter the hospital's name, city, and state ▶</b> _____
<b>10</b>	<input type="checkbox"/> An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the <b>Support Schedule</b> in Part IV-A.)
<b>11a</b>	<input type="checkbox"/> An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A.)
<b>11b</b>	<input type="checkbox"/> A community trust. Section 170(b)(1)(A)(vi). (Also complete the <b>Support Schedule</b> in Part IV-A.)
<b>12</b>	<input type="checkbox"/> An organization that normally receives <b>(1) more than 33 1/3%</b> of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and <b>(2) no more than 33 1/3%</b> 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). (Also complete the <b>Support Schedule</b> in Part IV-A.)
<b>13</b>	<input type="checkbox"/> An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in <b>(1)</b> lines 5 through 12 above, or <b>(2)</b> sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization <b>▶</b> <input type="checkbox"/> Type 1 <input type="checkbox"/> Type 2 <input type="checkbox"/> Type 3
Provide the following information about the supported organizations (see page 5 of the instructions.)	
<b>(a)</b> Name(s) of supported organization(s)	
<b>(b)</b> Line number from above	
<b>14</b>	<input type="checkbox"/> An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12 ) **Use cash method of accounting.****Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28 )					
<b>16</b> Membership fees received					
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose					
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
<b>22</b> Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22					
<b>24</b> Line 23 minus line 17					
<b>25</b> Enter 1% of line 23					
<b>26 Organizations described on lines 10 or 11:</b>	<b>a</b> Enter 2% of amount in column (e), line 24				<b>26a</b>
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a <b>Do not file this list with your return.</b> Enter the total of all these excess amounts					<b>26b</b> 0
<b>c</b> Total support for section 509(a)(1) test Enter line 24, column (e)					<b>26c</b>
<b>d</b> Add Amounts from column (e) for lines	18 _____	19 _____			<b>26d</b>
	22 _____	26b _____			<b>26e</b>
<b>e</b> Public support (line 26c minus line 26d total)					<b>26e</b>
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b>
<b>27 Organizations described on line 12:</b>	<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person "				
	<b>Do not file this list with your return.</b> Enter the sum of such amounts for each year				
	(2004) _____	(2003) _____	(2002) _____	(2001) _____	
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the <b>larger</b> of <b>(1)</b> the amount on line 25 for the year or <b>(2)</b> \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals ) <b>Do not file this list with your return.</b> After computing the difference between the amount received and the larger amount described in <b>(1)</b> or <b>(2)</b> , enter the sum of these differences (the excess amounts) for each year					
	(2004) _____	(2003) _____	(2002) _____	(2001) _____	
<b>c</b> Add Amounts from column (e) for lines	15 _____	16 _____			<b>27c</b>
	17 _____	20 _____	21 _____		<b>27d</b>
<b>d</b> Add Line 27a total _____ and line 27b total _____					<b>27e</b>
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27e</b>
<b>f</b> Total support for section 509(a)(2) test Enter amount from line 23, column (e)					<b>27f</b>
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b>
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b>
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant <b>Do not file this list with your return.</b> Do not include these grants in line 15					

**Part V Private School Questionnaire** (See page 7 of the instructions.)**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	<b>29</b>	
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	<b>30</b>	
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )	<b>31</b>	
<b>32</b> Does the organization maintain the following	<b>32a</b>	
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?	<b>32a</b>	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	<b>32b</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<b>32c</b>	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions?	<b>32d</b>	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
<b>33</b> Does the organization discriminate by race in any way with respect to		
<b>a</b> Students' rights or privileges?	<b>33a</b>	
<b>b</b> Admissions policies?	<b>33b</b>	
<b>c</b> Employment of faculty or administrative staff?	<b>33c</b>	
<b>d</b> Scholarships or other financial assistance?	<b>33d</b>	
<b>e</b> Educational policies?	<b>33e</b>	
<b>f</b> Use of facilities?	<b>33f</b>	
<b>g</b> Athletic programs?	<b>33g</b>	
<b>h</b> Other extracurricular activities?	<b>33h</b>	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )		
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency?	<b>34a</b>	
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	<b>34b</b>	
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	<b>35</b>	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)  
(To be completed ONLY by an eligible organization that filed Form 5768)Check  **a** if the organization belongs to an affiliated group Check  **b** if you checked "a" and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b>		<b>(a)</b> Affiliated group totals	<b>(b)</b> To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred )			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	
<b>39</b>	Other exempt purpose expenditures	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table— <b>If the amount on line 40 is—</b> <b>The lobbying nontaxable amount is—</b> Not over \$500,000                                      20% of the amount on line 40 Over \$500,000 but not over \$1,000,000        \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000     \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000    \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000                                    \$1,000,000	<b>41</b>	
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>	
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>	
<b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720.			

**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 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b>	Lobbying nontaxable amount				
<b>46</b>	Lobbying ceiling amount (150% of line 45(e))				
<b>47</b>	Total lobbying expenditures				
<b>48</b>	Grassroots nontaxable amount				
<b>49</b>	Grassroots ceiling amount (150% of line 48(e))				
<b>50</b>	Grassroots lobbying expenditures				

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

	Yes	No	Amount
<b>a</b> Volunteers		No	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.)		No	
<b>c</b> Media advertisements		No	0
<b>d</b> Mailings to members, legislators, or the public		No	0
<b>e</b> Publications, or published or broadcast statements		No	0
<b>f</b> Grants to other organizations for lobbying purposes		No	0
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body		No	0
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	Yes		2,367
<b>i</b> Total lobbying expenditures (Add lines c through h.)			2,367

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities



## TY 2005 Cash Grants Paid Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Class of Activity	Recipient's name	Address	Amount	Relationship
SCHOLARSHIP	ANGIE ALEXANDER SCHOLARSHIP FUND	418 EAST ST DEPUTY, IN 47230	650	
DONATION	NATIONAL SPEAKING OF WOMEN'S HEALTH FOUNDATION	1223 CENTRAL PARKWAY CINCINNATI, OH 45201	10,000	
DONATION	RELAY FOR LIFE - AMERICAN CANCER SOCIETY OF JEFF CO	2517 CEDARWOOD DR MADISON, IN 47250	500	
DONATION	JEFFERSON COUNTY HISTORICAL SOCIETY	615 WEST FIRST ST MADISON, IN 47250	250	
DONATION	LA LECHE LEAGUE	409 HIGHLAND DR MADISON, IN 47250	100	
DONATION	GIRLS INC	109 W THIRD ST MADISON, IN 47250	4,032	
DONATION	MARCH OF DIMES - OHIO VALLEY DIVISION	4802 SHERBURN LANE LOUISVILLE, KY 40207	500	
DONATION	IVY TECH	590 IVY TECH DRIVE MADISON, IN 47250	84,000	

<b>Class of Activity</b>	<b>Recipient's name</b>	<b>Address</b>	<b>Amount</b>	<b>Relationship</b>
DONATION	DELTA RHO TRI KAPPA	128 EAST 200 SOUTH VERSAILLES, IN 47042	150	
DONATION	MADISON AREA CHAMBER OF COMMERCE	975 INDUSTRIAL DRIVE SUITE 1 MADISON, IN 47250	5,000	
DONATION	SWITZERLAND COUNTY RELAY FOR LIFE	803 EAST MAIN VEVAY, IN 47043	300	
DONATION	TURNING POINT	PO BOX 103 COLUMBUS, IN 47201	7,000	
DONATION	SWITZERLAND COUNTY YMCA	PO BOX 113 VEVAY, IN 47043	1,000	
DONATION	LIDE WHITE BOYS & GIRLS CLUB	601 WEST FIRST ST MADISON, IN 47250	100	
DONATION	DALE MCNEELY HANOVER YOUTH FUND	11 MADISON AVE PO BOX 288 HANOVER, IN 47243	5,000	
DONATION	BIG BROTHERSBIG SISTERS	212 EAST ST MADISON, IN 47250	9,000	

**Additional Data****Software ID:****Software Version:****EIN:** 35-0895832**Name:** The King's Daughters' Hospital and Health Services  
and Health Services**Form 990, Part II, Line 43 - Other expenses not covered above (itemize):**

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		<b>(A) Total</b>	<b>(B) Program services</b>	<b>(C) Management and general</b>	<b>(D) Fundraising</b>
<b>a</b> ACCREDITATION	<b>43a</b>	68,151	61,179	6,972	
<b>b</b> ADVERTISING	<b>43b</b>	71,013	63,748	7,265	
<b>c</b> AMORTIZATION	<b>43c</b>	585,911	525,972	59,939	
<b>d</b> BAD DEBTS	<b>43d</b>	7,820,442	7,820,442		
<b>e</b> COMMUNITY RELATIONS	<b>43e</b>	26,286	23,597	2,689	
<b>f</b> CONSULTING	<b>43f</b>	170,851	153,373	17,478	
<b>g</b> CONTINUING EDUCATION	<b>43g</b>	350,480	314,626	35,854	
<b>h</b> DRUGS	<b>43h</b>	5,588,366	5,588,366		
<b>i</b> DUES AND SUBSCRIPTIONS	<b>43i</b>	145,743	130,833	14,910	
<b>j</b> FOOD	<b>43j</b>	507,733	455,792	51,941	
<b>k</b> INSURANCE	<b>43k</b>	1,260,168	1,131,253	128,915	
<b>l</b> INVESTMENT MANAGEMENT FEES	<b>43l</b>	345,498	310,154	35,344	
<b>m</b> LIBRARY BOOKS	<b>43m</b>	7,722	6,932	790	
<b>n</b> MEDICAL BUILDINGS	<b>43n</b>	28,350	25,450	2,900	
<b>o</b> MINOR EQUIPMENT	<b>43o</b>	214,682	192,720	21,962	
<b>p</b> MISCELLANEOUS	<b>43p</b>	714,566	641,466	73,100	
<b>q</b> NUCLEAR MEDICINE	<b>43q</b>	176,846	176,846		
<b>r</b> OFFICE COLLECTIONS	<b>43r</b>	660,543	592,969	67,574	
<b>s</b> PATIENT EDUCATION	<b>43s</b>	12,075	10,840	1,235	
<b>t</b> PHYSICIAN GUARANTEES	<b>43t</b>	330,527	296,714	33,813	
<b>u</b> PROFESSIONAL MEDICAL FEES	<b>43u</b>	1,755,035	1,755,035		
<b>v</b> PURCHASED SERVICES	<b>43v</b>	2,768,047	2,484,876	283,171	
<b>w</b> SOFTWARE	<b>43w</b>	63,997	57,450	6,547	
<b>x</b> SUPPORT FEES	<b>43x</b>	313,269	281,222	32,047	
<b>y</b> TAXES LICENSES AND PERMITS	<b>43y</b>	111,429	100,030	11,399	
<b>z</b> TUMOR REGISTRY	<b>43z</b>	8,794	8,794		
<b>aa</b> VEHICLE EXPENSES	<b>43aa</b>	106,764	95,842	10,922	
<b>ab</b> WASTE DISPOSAL	<b>43ab</b>	47,513	42,652	4,861	

**Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:**

<b>(A) Name and address</b>	<b>(B) Title and average hours per week devoted to position</b>	<b>(C) Compensation (If not paid, enter -0-.)</b>	<b>(D) Contributions to employee benefit plans &amp; deferred compensation plans</b>	<b>(E) Expense account and other allowances</b>
NANCY BEAR 419 CEDAR CLIFF ROAD MADISON, IN 47250	CHAIRman 8 00	0	0	1,000
KATHY AUXIER 507 BROADWAY MADISON, IN 47250	SECRETARY 8 00	0	0	2,200
PHYLLIS STEINHARDT 213 WEST SECOND STREET MADISON, IN 47250	TREASURER 8 00	0	0	2,600
MARY DAVEE 430 FAIRMONT DRIVE MADISON, IN 47250	MEMBER 8 00	0	0	2,600
JENNIFER JOAS 418 EAST STREET MADISON, IN 47250	ASSISTANT TREASURER 8 00	0	0	1,000
LESLIE GROTE 701 SOUTH INDIAN COVE ROAD MADISON, IN 47250	VICE CHAIRman 8 00	0	0	2,600
LARRY WILLIAMS 2066 RIDGEWOOD LANE MADISON, IN 47250	MEMBER 40 00	412,455	16,084	1,000
TONY WALTZ 1300 OSAGE DRIVE MADISON, IN 47250	MEMBER 8 00	0	0	1,200
LISA MORGAN 224 ELMHURST avenue MADISON, IN 47250	VP PATIENT SERVICES 40 00	117,793	8,421	0
ROGER ALLMAN 510 MILES RIDGE ROAD MADISON, IN 47250	PRESIDENTCEO 40 00	279,758	18,456	2,607

**Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:**

<b>(A) Name and address</b>	<b>(B) Title and average hours per week devoted to position</b>	<b>(C) Compensation (If not paid, enter -0-.)</b>	<b>(D) Contributions to employee benefit plans &amp; deferred compensation plans</b>	<b>(E) Expense account and other allowances</b>
LARRY KEITH 360 LAKESIDE DRIVE MADISON, IN 47250	VP OPERATIONS 40 00	120,353	9,198	0
MIKE BURNETT 2360 NORTH RYKERS RIDGE ROAD MADISON, IN 47250	VP PHYSICIAN PRACTice mgmt 40 00	124,984	9,167	0
STEVE MEACHAM 520 QUAIL RIDGE COURT MADISON, IN 47250	VP FINANCE 40 00	173,357	12,687	0
STEVE EIGEL 2446 North ELLIS LANE MADISON, IN 47250	CONTROLLER 40 00	87,958	6,460	0
JEAN DONNELLO 126 BALL DIAMOND ROAD MADISON, IN 47250	ASSistant SECRETARY 8 00	0	0	1,400
MAUREEN GETZ 249 ELMHURST AVENUE MADISON, IN 47250	MEMBER 8 00	0	0	1,400
CARL RISK 2479 WOODS EDGE DRIVE MADISON, IN 47250	VP PLANNING 8 00	84,700	5,955	0
EILEEN MCGARVEY 2356 SUNSET COURT MADISON, IN 47250	MEMBER 40 00	358,935	15,274	1,400

<b>Class of Activity</b>	<b>Recipient's name</b>	<b>Address</b>	<b>Amount</b>	<b>Relationship</b>
DONATION			2,500	
DONATION			300	
DONATION			100	
DONATION			4,500	
DONATION			50,000	
DONATION			1,500	
DONATION			50,000	
DONATION			300	

<b>Class of Activity</b>	<b>Recipient's name</b>	<b>Address</b>	<b>Amount</b>	<b>Relationship</b>
DONATION			100	
DONATION			500	
DONATION			11,000	
DONATION			5,000	
DONATION			50	
DONATION			2,500	
DONATION			5,000	
DONATION			300	

<b>Class of Activity</b>	<b>Recipient's name</b>	<b>Address</b>	<b>Amount</b>	<b>Relationship</b>
DONATION			150	
DONATION			1,950	
DONATION			100	
DONATION			150	
DONATION			105	
DONATION			300	
DONATION			12,500	
DONATION			300	

<b>Class of Activity</b>	<b>Recipient's name</b>	<b>Address</b>	<b>Amount</b>	<b>Relationship</b>
DONATION			300	
DONATION			300	
DONATION			300	
DONATION			100	
DONATION			150	
DONATION			10,530	

## TY 2005 Depreciation and Depletion Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Asset	Amount
fixtures and EQUIPMENT	2,496,787
BUILDINGs and improvements	1,267,349

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

### TY 2005 Gain/Loss from Sale of Other Assets Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Sales Expenses	Total (net)	Accumulated Depreciation
VARIOUS EQUIPMENT	2000-07	PURCHASED	2005-07		322,968	1,190,438	0	20,020	887,490

**TY 2005 Gain/Loss from Sale of Public Securities Schedule**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

**Gross Sales Price:** 9,766,448

**Basis:** 8,241,731

**Sales Expenses:** 0

**Total (net):** 1,524,717

## TY 2005 Individual Assistance Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Class of Activity	Amount
Food, shelter and clothing provided for indigents or disaster victims	1,500
Medical, dental and hospital expenses provided	3,000

## TY 2005 Investments - Securities Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Description	Book Value	Cost/FMV
COMMON STOCKS	21,674,702	F
CORPORATE BONDS	576,356	F
US GOVERNMENT SECURITIES	6,941,634	F
EQUITY MUTUAL FUNDS	2,838,718	F
BOND MUTUAL FUNDS	2,144,200	F

**TY 2005 Land etc. Schedule**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
fixtures and EQUIPMENT	27,558,975	17,832,126	9,726,849
BUILDINGs and improvements	40,223,234	20,018,830	20,204,404
LAND	4,278,113		4,278,113
CONSTRUCTION IN PROGRESS	715,079		715,079

## TY 2005 Non Cash Grants Paid Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

<b>Item No.</b>	1
<b>Class of Activity</b>	medical supplies
<b>Donee's Name</b>	ivy tech madison animal shelter local vets etc
<b>Donee's Address</b>	various MADISON, IN 47250
<b>Amount (FMV)</b>	28483
<b>Relationship</b>	none
<b>Description</b>	inventory items
<b>Book Value</b>	28483
<b>How Book Value is Determined?</b>	PURCHASE PRICE
<b>How FMV is Determined?</b>	PURCHASE PRICE
<b>Date of Gift</b>	2004-06

## TY 2005 Officer Compensation Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

### ROGER ALLMAN

	Compensation	EE Benefit Plans	Expense Acct
<b>Program Services</b>	251,502	16,592	2,344
<b>Mgmt &amp; General</b>	28,256	1,864	263
<b>Fundraising</b>			

**LISA MORGAN**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	105,896	7,570	
<b>Mgmt &amp; General</b>	11,897	851	
<b>Fundraising</b>			

**LARRY KEITH**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	108,197	8,269	
<b>Mgmt &amp; General</b>	12,156	929	
<b>Fundraising</b>			

**MIKE BURNETT**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	112,361	8,241	
<b>Mgmt &amp; General</b>	12,623	926	
<b>Fundraising</b>			

**STEVE MEACHAM**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	155,848	11,406	
<b>Mgmt &amp; General</b>	17,509	1,281	
<b>Fundraising</b>			

**STEVE EIGEL**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	79,074	5,808	
<b>Mgmt &amp; General</b>	8,884	652	
<b>Fundraising</b>			

**CARL RISK**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	76,145	5,354	
<b>Mgmt &amp; General</b>	8,555	601	
<b>Fundraising</b>			

**LARRY WILLIAMS**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	370,797	14,460	899
<b>Mgmt &amp; General</b>	41,658	1,624	101
<b>Fundraising</b>			

**EILEEN MCGARVEY**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>	322,683	13,731	1,259
<b>Mgmt &amp; General</b>	36,252	1,543	141
<b>Fundraising</b>			

**NANCY BEAR**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			899
<b>Mgmt &amp; General</b>			101
<b>Fundraising</b>			

**LESLIE GROTE**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			2,337
<b>Mgmt &amp; General</b>			263
<b>Fundraising</b>			

**KATHY AUXIER**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			1,978
<b>Mgmt &amp; General</b>			222
<b>Fundraising</b>			

**JEAN DONNELLON**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			1,259
<b>Mgmt &amp; General</b>			141
<b>Fundraising</b>			

**PHYLLIS STEINHARDT**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			2,337
<b>Mgmt &amp; General</b>			263
<b>Fundraising</b>			

**JENNIFER JOAS**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			899
<b>Mgmt &amp; General</b>			101
<b>Fundraising</b>			

**MAUREEN GETZ**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			1,259
<b>Mgmt &amp; General</b>			141
<b>Fundraising</b>			

**MARY DAVEE**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			2,337
<b>Mgmt &amp; General</b>			263
<b>Fundraising</b>			

**TONY WALTZ**

	<b>Compensation</b>	<b>EE Benefit Plans</b>	<b>Expense Acct</b>
<b>Program Services</b>			1,079
<b>Mgmt &amp; General</b>			121
<b>Fundraising</b>			

## TY 2005 Other Assets Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Description	Beginning of Year Amount	End of Year Amount
GOODWILL NET OF AMORTIZATION	4,040,707	3,503,379
UNAMORTIZED BOND ISSUE COSTS	1,066,769	1,019,357
INVESTMENT IN VHA INSURANCE COMPANY		168,000
INVESTMENT IN CARDIAC CATH LAB		111,976

**TY 2005 Other Changes in Net Assets Schedule**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Description	Amount
UNREALIZED LOSSes ON INVESTMENTS	-293,503

**TY 2005 Other Expenses Included Schedule**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

<b>Description</b>	<b>Amount</b>
GOLF BENEFIT DIRECT EXPENSES	26,840

**TY 2005 Other Liabilities Schedule**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

<b>Description</b>	<b>Beginning of Year Amount</b>	<b>End of Year Amount</b>
DEFERRED COMPENSATION	807,204	948,285
ESTIMATED THIRD-PARTY PAYOR	1,400,000	1,100,000

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2005 Other Notes/Loans Receivable Long Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Borrower's Name	Relationship to Insider	Original Amount of Loan	Balance Due	Date of Note	Maturity Date	Repayment Terms	Interest Rate	Security Provided by Borrower	Purpose of Loan	Description of Lender Consideration	Consideration FMV
STEVEN L VORHIES		130,000	32,500	1998-08	2006-08	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
HOLLY A ROBINSON		91,000		1998-07	2003-07	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
TOBI HOUGH		103,000	17,200	1998-07	2006-06	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
STEVE ADAMS		100,000	25,000	1999-07	2007-07	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
SCOTT FREDE		81,000		2000-08	2005-08	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
WILLIAM SKILES		50,000		2000-07	2005-07	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
JUDY KOEHLER		60,000	12,000	2000-08	2006-07	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
DAVID NAPIER		82,000	16,400	2000-11	2006-08	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
GIL WEIZER		25,000	45,000	2002-11	2008-03	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
KELLI HERTZ		5,000	34,800	2002-02	2008-08	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
STEPHEN COACHYS		3,000	6,602	2002-10	2007-10	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
DUANE BOWMAN		5,000	63,500	2003-01		PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
Dr Roney		20,000	70,000	2004-06		PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
interest receivable			23,119			PRIME + 1%	0 %				
JONATHAN HANSON		65,000	65,000	2005-06	2010-06	PRIME + 1%	0 %	PROMISSORY NOTE	PHYSICIAN ASSISTANCE		
MOLLY RUTHERFORD		6,000	6,000	2005-06	2010-06	PRIME + 1%	0 %	PROMISSORY NOTE			
NOTE RECEIVABLE - EMPLOYEES			32,944			PRIME + 1%	0 %				

**TY 2005 Other Revenues Included Schedule**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

<b>Description</b>	<b>Amount</b>
GOLF BENEFIT DIRECT EXPENSES	26,840

## TY 2005 Special Events Schedule

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)
ANNUAL GOLF BENEFIT	36,423	23,633	12,790	26,840	-14,050

**TY 2005 Non Electing Public Charities Statement**

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

**Statement:** EXPENDITURES WERE FOR DUES PAID TO THE INDIANA HOSPITAL  
AND HEALTH ASSOCIATION.

## TY 2005 Scholarship Award Statement

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

**Statement:** 1.) KING'S DAUGHTERS' HOSPITAL MAKES STUDENT LOANS TO PHYSICIANS if they AGREE TO BECOME KDH EMPLOYEES UPON GRADUATION or completion of study. the LOANS ARE SUBSEQUENTLY FORGIVEN under terms of the employment agreement. 2.) KING'S DAUGHTERS' HOSPITAL OFFERS TUITION REIMBURSEMENT TO NON-PHYSICIAN EMPLOYEES PURSuing FORMAL EDUCATION IN AREAS WHERE KDH ANTICIPATES CRITICAL VACANCIES.

## TY 2005 Self Dealing Statement

**Name:** The King's Daughters' Hospital and Health Services  
and Health Services

**EIN:** 35-0895832

Line Number	Explanation
2d	<p>1.) PHYLLIS STEINHARDT IS A MEMBER OF KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES BOARD OF MANAGERS. PHYLLIS IS MARRIED TO THE OWNER OF STEINHARDT ENTERPRISES, INC., A COMPANY KING'S DAUGHTERS' HOSPITAL OCCASIONALLY UTILIZES FOR HEATING/COOLING SERVICES (REPAIRS, MAINTENANCE, ETC.). KING'S DAUGHTERS' HOSPITAL PAID STEINHARDT ENTERPRISES, INC. \$1,008 DURING 2005 FOR SUCH SERVICES.2.) MARY DAVEE WAS A MEMBER OF KING'S DAUGHTERS' HOSPITAL AND HEALTH SERVICES BOARD OF MANAGERS DURING 2005. MARY IS MARRIED TO THE OWNER OF MADISON INSURANCE AGENCY, A COMPANY KING'S DAUGHTERS' HOSPITAL UTILIZES AS AN INSURANCE BROKER. KING'S DAUGHTERS' HOSPITAL PAID MADISON INSURANCE COMPANY \$140,953 DURING 2005 FOR POLICIES COVERING DIRECTORS/OFFICERS, PROPERTY, AUTOMOBILES &amp; AMBULANCES, AND COMMERCIAL CRIME. MARY IS NO LONGER A BOARD OF MANAGERS MEMBER AS OF January 1, 2006.</p>