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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2008

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder 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

A For the 2008 calendar year, or tax year beginning 07/01, 2008, and ending 06/30, 2009

<input type="checkbox"/> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization JAMES L KERNAN HOSP ENDOWMENT FUND, INC.			D Employer identification number 23-7360743	
	Doing Business As			E Telephone number (410) 448-2500	
	Number and street (or P O box if mail is not delivered to street address)			F Room/suite	
	2200 KERNAN DRIVE			G Gross receipts \$ 1,009,148.	
	City or town, state or country, and ZIP + 4			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	BALTIMORE, MD 21207			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	H(c) If "No," attach a list (see instructions)			H(d) Group exemption number	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> (insert no) 4947(a)(1) or 527	J Website ► N/A	K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►	L Year of formation 1974	M State of legal domicile MD	

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HOLDS, OVERSEES AND DISBURSES ENDOWMENT FUNDS FOR THE JAMES LAWRENCE KERNAN HOSPITAL.

2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its assets

3 Number of voting members of the governing body (Part VI, line 1a) 3 10

4 Number of independent voting members of the governing body (Part VI, line 1b) 4 9

5 Total number of employees (Part V, line 2a) 5 NONE

6 Total number of volunteers (estimate if necessary) 6 NONE

7a Total gross unrelated business revenue from Part VIII, line 12, column (C) 7a NONE

b Net unrelated business taxable income from Form 990-T, line 34 7b NONE

Activities & Governance	Revenue	Prior Year		Current Year	
		3	10	4	9
	8 Contribution and grants (Part VIII, line 1h)			NONE	NONE
	9 Program service revenue (Part VIII, line 2g)			NONE	NONE
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,270,475.		-1,552,747.	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			NONE	NONE
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,270,475.		-1,552,747.	
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)			145,000.	272,999.
	14 Benefits paid to or for members (Part IX, column (A), line 4)			NONE	NONE
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)			NONE	NONE
	16a Professional fundraising fees (Part IX, column (A), line 11e)			NONE	NONE
Expenses	b Total fundraising expenses, Part IX, column (D), line 25				
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	104,000.			NONE
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	249,000.		272,999.	
	19 Revenue less expenses Subtract line 18 from line 12	2,021,475.		-1,825,746.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	30,609,297.		24,195,060.	
	21 Total liabilities (Part X, line 26)			NONE	272,999.
	22 Net assets or fund balances Subtract line 21 from line 20	30,609,297.		23,922,061.	

Part II Signature Block

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

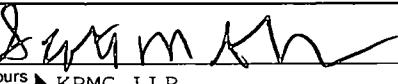
Sign Here

Signature of officer

5/12/10
Date

DAVIS SHERMAN, PRESIDENT

Type or print name and title

Paid Preparer's Use Only	Preparer's signature ► 	Date 5/1/10	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions) P00451522
	Firm's name (or yours if self-employed), address, and ZIP + 4 KPMG LLP 2100 DOMINION TOWER NORFOLK, VA 23510-3310	EIN ► 13-5565207	Phone no ► 757-616-7000	

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

JSA
8E10102 0000

JS1081 E014

V08-8.3 523439

Part III Statement of Program Service Accomplishments (see instructions)**1 Briefly describe the organization's mission**

HOLDS, OVERSEES AND DISBURSES ENDOWMENT FUNDS FOR THE JAMES LAWRENCE KERNAN HOSPITAL.

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 \$ 272,999 including grants of \$ 272,999.) (Revenue \$ _____)

THE JAMES LAWRENCE KERNAN HOSPITAL ENDOWMENT FUND PROVIDES FUNDING TO JAMES LAWERENCE KERNAN HOSPITAL TO SUPPORT PROGRAMS THAT IMPROVE THE QUALITY OF HEALTH OF THE PEOPLE IN THE BALTIMORE COMMUNITY. THE ENDOWMENT FUND STRIVES TO BE AN AREA LEADER IN MEETING BOTH THE PRESENT AND FUTURE HEALTH CARE NEEDS OF THE COMMUNITY THROUGH FINANCIAL AND OTHER MEANS OF SUPPORT. THE ENDOWMENT FUND COORDINATES THE RECEIPT AND MANAGEMENT OF ASSETS, INCLUDING THE MANAGEMENT AND DISTRIBUTION OF FUNDS.

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 ► \$ 272,999. (Must equal Part IX, Line 25, column (B))

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)? If "Yes," complete Schedule A	1	X
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	X
5	Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
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? If "Yes," complete Schedule D, Part IV	9	X
10	Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11	X
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12	X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a	Did the organization maintain an office, employees, or agents outside of the U.S?	14a	X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S? If "Yes," complete Schedule F, Part I	14b	X
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 United States? If "Yes," complete Schedule F, Part II	15	X
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 United States? If "Yes," complete Schedule F, Part III	16	X
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17	X
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	X
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	23	X
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? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25	24a	X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b	X
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? If "Yes," complete Schedule L, Part II	26	X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a	X
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33	X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
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? If "Yes," complete Schedule R, Part VI	37	X

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Part V Statements Regarding Other IRS Filings and Tax Compliance

	Yes	No	
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	NONE	
1b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	NONE	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	NONE	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)</i>			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X	
3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			
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)?	4a	X	
4b If "Yes," enter the name of the foreign country ► See the instructions for exceptions and 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?	5a	X	
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X	
5c If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			
6a Did the organization solicit any contributions that were not tax deductible?	6a	X	
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 provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7a	X	
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?	7c	X	
7d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
7e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X	
7g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			
7h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			
8 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	X	
9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?	9a	X	
9b Did the organization make a distribution to a donor, donor advisor, or related person?	9b	X	
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12	10a		
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders	11a		
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code)
Section A. Governing Body and Management

		Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions		
1a	Enter the number of voting members of the governing body	1a 1b	10 9
b	Enter the number of voting members that 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?	2	X
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?	3	X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9a	Does the organization have local chapters, branches, or affiliates?	9a	X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	X
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X
11	Is there any officer, director or 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	11	X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13	Does the organization have a written whistleblower policy?	13	X
14	Does the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
a	The organization's CEO, Executive Director, or top management official?	15a	X
b	Other officers or key employees of the organization?	15b	X
	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?	16a	X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

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 Forms 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
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►MICHELLE LEE 22 SOUTH GREENE STREET BALTIMORE MD 21201
410-328-1376

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- 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 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 the organization did not compensate any officer, director, trustee, or key employee.

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

1b Total ► NONE 886,842. 132,275.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► NONE

	Yes	No
3		X
4	X	
5		X

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

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ►

Part VIII Statement of Revenue

23-7360743

		(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	NONE			
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f ►		NONE			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ►		NONE			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	STMT 1 . . . ►	1,009,148	NONE	NONE 1,009,148	
	4 Income from investment of tax-exempt bond proceeds		NONE			
	5 Royalties		NONE			
	6a Gross Rents	(i) Real	(ii) Personal			
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ►			NONE		
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)	2,561,895				
	d Net gain or (loss) ►	-2,561,895				-2,561,895
	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 ►			NONE			
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 ►			NONE			
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 ►			NONE			
Miscellaneous Revenue						
11a	Business Code					
b						
c						
d All other revenue						
e Total. Add lines 11a-11d ►		NONE				
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ►		-1,552,747	NONE	NONE	-1,552,747	

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	272,999.	272,999.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	NONE			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	NONE			
7 Other salaries and wages	NONE			
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions)	NONE			
9 Other employee benefits	NONE			
10 Payroll taxes	NONE			
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	NONE			
c Accounting	NONE			
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	NONE			
13 Office expenses	NONE			
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	NONE			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	NONE			
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	NONE			
23 Insurance	NONE			
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a ADMINISTRATIVE FEE -----				
b -----				
c -----				
d -----				
e -----				
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	272,999.	272,999.		
26 Joint Costs. Check here ► <input type="checkbox"/> If following SOP 98-2 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	1																							
	2 Savings and temporary cash investments	723,475.	2																						
	3 Pledges and grants receivable, net	3	780,235.																						
	4 Accounts receivable, net	783,526.	4																						
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L	5	783,526.																						
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	6																							
	7 Notes and loans receivable, net	7																							
	8 Inventories for sales or use	8																							
	9 Prepaid expenses and deferred charges	9																							
	10a Land, buildings, and equipment cost basis	10a																							
	b Less accumulated depreciation Complete Part VI of Schedule D.	10b																							
		10c																							
	11 Investments - publicly traded securities	29,102,296.	11																						
	12 Investments - other securities See Part IV, line 11	12	22,631,299.																						
	13 Investments - program-related See Part IV, line 11	13																							
	14 Intangible assets	14																							
	15 Other assets See Part IV, line 11	15																							
	16 Total assets. Add lines 1 through 15 (must equal line 34)	30,609,297.	16																						
Liabilities	17 Accounts payable and accrued expenses	17																							
	18 Grants payable	NONE	18																						
	19 Deferred revenue	19	272,999.																						
	20 Tax-exempt bond liabilities	20																							
	21 Escrow 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	24																							
	25 Other liabilities Complete Part X of Schedule D	25																							
	26 Total liabilities. Add lines 17 through 25	NONE	272,999.																						
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	29,648,654.	27																						
	28 Temporarily restricted net assets	960,643.	28																						
	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	30,609,297.	33																						
	34 Total liabilities and net assets/fund balances	30,609,297.	34																						
Part XI Financial Statements and Reporting																									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 75%;"></th> <th style="width: 12.5%; text-align: center;">Yes</th> <th style="width: 12.5%; text-align: center;">No</th> </tr> </thead> <tbody> <tr> <td>1 Accounting method used to prepare the Form 990</td> <td style="text-align: center;"><input type="checkbox"/> Cash</td> <td style="text-align: center;"><input checked="" type="checkbox"/> Accrual</td> <td style="text-align: center;"><input type="checkbox"/> Other</td> </tr> <tr> <td>2a Were the organization's financial statements compiled or reviewed by an independent accountant?</td> <td style="text-align: center;">2a</td> <td style="text-align: center;">X</td> </tr> <tr> <td> b Were the organization's financial statements audited by an independent accountant?</td> <td style="text-align: center;">2b</td> <td style="text-align: center;">X</td> </tr> <tr> <td> c If "Yes" to lines 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?</td> <td style="text-align: center;">2c</td> <td></td> </tr> <tr> <td>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?</td> <td style="text-align: center;">3a</td> <td style="text-align: center;">X</td> </tr> <tr> <td> b If "Yes," did the organization undergo the required audit or audits?</td> <td style="text-align: center;">3b</td> <td></td> </tr> </tbody> </table>					Yes	No	1 Accounting method used to prepare the Form 990	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Accrual	<input type="checkbox"/> Other	2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X	b Were the organization's financial statements audited by an independent accountant?	2b	X	c If "Yes" to lines 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?	2c		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?	3a	X	b If "Yes," did the organization undergo the required audit or audits?	3b	
	Yes	No																							
1 Accounting method used to prepare the Form 990	<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Accrual	<input type="checkbox"/> Other																						
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X																							
b Were the organization's financial statements audited by an independent accountant?	2b	X																							
c If "Yes" to lines 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?	2c																								
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?	3a	X																							
b If "Yes," did the organization undergo the required audit or audits?	3b																								

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization

JAMES L KERNAN HOSP ENDOWMENT FUND, INC.

Employer identification number

23-7360743

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 (Please check only one organization)

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). (Attach Schedule H)
 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). (see instructions)
 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 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?

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

h Provide the following information about the organizations the organization supports

(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 US?		(vii) Amount of support
					Yes	No	
SEE STATEMENT	2						
Total							272,999.

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

Schedule A (Form 990 or 990-EZ) 2008

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.)
Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 1-3						
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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. 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 ► <input type="checkbox"/>		
b 33 1/3% support test - 2007. If the organization did not check a 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 ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test - 2008. 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 "fact-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 ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test - 2007. 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 ► <input type="checkbox"/>		
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 ► <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
 (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 1-5						
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 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b.						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%
19a 33 1/3% support tests - 2008. 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 - 2007. 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.** Complete this part to provide the explanation required by Part II, line 10, Part II, line 17a or 17b, or Part III, line 12. Provide any other additional information (see instructions)

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

JAMES L KERNAN HOSP ENDOWMENT FUND, INC.

Employer identification number

23-7360743

► Attach to Form 990. To be completed by organizations that
answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

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 other 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)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) <input type="checkbox"/> Preservation of an historically important land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of certified historic structure <input type="checkbox"/> 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	
	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d
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, violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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)?	<input type="checkbox"/> Yes <input type="checkbox"/> 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	

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 ► \$

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

Schedule D (Form 990) 2008

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)

<input type="checkbox"/> a	Public exhibition	<input type="checkbox"/> d	Loan or exchange programs
<input type="checkbox"/> b	Scholarly research	<input type="checkbox"/> e	Other _____
<input type="checkbox"/> c	Preservation for future generations		

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 Trust, Escrow and Custodial Arrangements. Complete if 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	
1d	
1e	
1f	

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 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	960,643				
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	960,643				

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

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► _____ %

c Term endowment ► 100.0000 %

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

(i) unrelated organizations

Yes No

(ii) related organizations

3a(i) X

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3a(ii) X

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) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ►

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
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
</td		

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

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

Total (Column (b) should equal Form 990, Part X, col (B) line 15)

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

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

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

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

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

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

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

SEE PAGE 5

Part XIV Supplemental Information (continued)

SCHEDULE D

FIN 48 FOOTNOTE PER AUDIT REPORT

THE ORGANIZATION IS A SUBSIDIARY OF UNIVERSITY OF MARYLAND MEDICAL SYSTEM

CORPORATION (THE CORPORATION). THE CORPORATION ADOPTED THE PROVISIONS OF

FASB INTERPRETATION NO. 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

(FIN 48), ON JULY 1, 2007. FIN 48 PREScribes A THRESHOLD OF

MORE-LIKELY-THAN-NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS

TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. FIN 48 ALSO RECOGNIZES

RELATED GUIDANCE ON MEASUREMENT, CLASSIFICATION, INTEREST AND PENALTIES,

AND DISCLOSURE. THE IMPLEMENTATION OF FIN 48 DID NOT HAVE A SIGNIFICANT

IMPACT ON THE CORPORATION'S BALANCE SHEET OR STATEMENT OF OPERATIONS.

MANAGEMENT DOES NOT BELIEVE THAT THERE ARE ANY UNRECOGNIZED TAX BENEFITS

THAT SHOULD BE RECOGNIZED.

SCHEDULE D, LINE 4

THE ORGANIZATIONS ENDOWMENT FUNDS ARE INTENDED TO SUPPORT THE JAMES

LAWRENCE KERNAN HOSPITAL INC.

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

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

SCHEDULE I, PART I, LINE 2

THE FUND ONLY MAKES GRANTS TO SUPPORT THE HEALTHCARE MISSION OF THE JAMES

LAWRENCE_KERNAN_HOSPITAL

SCHEDULE J
(Form 990)**Compensation Information**

OMB No 1545-0047

2008**Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceFor certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees► Attach to Form 990. To be completed by organizations
that answered "Yes" to Form 990, Part IV, line 23.

Name of the organization

JAMES L KERNAN HOSP ENDOWMENT FUND, INC.

Employer identification number

23-7360743

Part I Questions Regarding Compensation

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

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

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

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

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

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

a Receive a severance payment or change of control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?

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

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

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

a The organization?
b Any related organization?

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

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

a The organization?
b Any related organization?

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

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

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

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

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

Schedule J (Form 990) 2008

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 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) 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				
ROBERT A CHRENICK	(i) <u>NONE</u>	(ii) <u>NONE</u>	(iii) <u>NONE</u>	(C) <u>NONE</u>	(D) <u>NONE</u>	(E) <u>NONE</u>	(F) <u>NONE</u>
	(ii) <u>640,584</u>	(ii) <u>232,530</u>	(ii) <u>13,728</u>	(C) <u>116,748</u>	(D) <u>15,527</u>	(E) <u>1,019,117</u>	(F) <u>NONE</u>
	(i) <u> </u>	(i) <u> </u>	(i) <u> </u>	(i) <u> </u>	(i) <u> </u>	(i) <u> </u>	(i) <u> </u>
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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

SUPPLEMENTAL, NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

THE FOLLOWING INDIVIDUALS PARTICIPATE IN A SECTION 457(F) SUPPLEMENTAL

NONQUALIFIED RETIREMENT PLAN ("THE PLAN") SPONSORED BY THE FILING

ORGANIZATION OR A RELATED ORGANIZATION

ROBERT A. CHRENCIK

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

JAMES L KERNAN HOSP ENDOWMENT FUND, INC.

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Employer identification number

23-7360743

ELECT BOARD

PART VI, LINE 7A

THE BOARD OF TRUSTEES ELECTS ALL NEW MEMBERS OF THE BOARD.

Name of the organization

JAMES L KERNAN HOSP ENDOWMENT FUND, INC.

Employer identification number

23-7360743

990 REVIEWPART VI LINE 10THE IRS FORM 990 IS PREPARED AND REVIEWED BY THE INDEPENDENT ACCOUNTINGFIRM OF KPMG. ACCOUNTING PERSONNEL IN FINANCE SHARED SERVICES AT THEUNIVERSITY OF MARYLAND MEDICAL SYSTEM GATHER THE INFORMATION NEEDED TOCOMPLETE THE RETURN AND INPUT THE DATA INTO THE KPMG TAX ORGANIZER, WHICHIS A WEB-BASED SYSTEM.WHEN ALL DATA HAS BEEN ENTERED, THE INFORMATION IS SUBMITTED TO KPMG FORIMPORTATION INTO ITS TAX SOFTWARE. AT THIS POINT, KPMG STAFF MEMBERSREVIEW THE DATA, ASK FOR ADDITIONAL INFORMATION AND CLARIFICATIONS IFNEEDED AND PREPARE THE TAX RETURN. EACH RETURN IS REVIEWED AT SEVERALLEVELS AT KPMG INCLUDING THE TAX PARTNER. AFTER THEIR REVIEW PROCESS, ADRAFT RETURN IS SENT TO THE ACCOUNTING STAFF AT UMMS FOR AN IN-HOUSEREVIEW.UPON COMPLETION OF THE IN-HOUSE REVIEW, KPMG IS INSTRUCTED TO MAKE ANYNECESSARY CHANGES AND TO PREPARE THE FINAL DRAFT TAX RETURN. THE FINALDRAFT RETURN UNDERGOES ANOTHER REVIEW BY THE ACCOUNTING STAFF AT FINANCESHARED SERVICES AND IS ALSO REVIEWED BY THE ACCOUNTING MANAGER, DIRECTOROF FINANCIAL REPORTING, THE VICE PRESIDENT OF FINANCE AND THE PRESIDENTWHO SIGNS THE RETURN.PRIOR TO FILING THE IRS FORM 990, THE ORGANIZATION'S BOARD CHAIRMAN,TREASURER, AUDIT COMMITTEE CHAIRMAN, EXECUTIVE COMMITTEE CHAIRMAN OROTHER MEMBER OF THE BOARD WITH SIMILAR AUTHORITY WILL REVIEW THE IRS FORM990. AT THE DISCRETION OF THE REVIEWING BOARD MEMBER, SUCH MEMBER WILL

Name of the organization

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BRING ANY ISSUES OR QUESTIONS RELATED TO THE COMPLETED IRS FORM 990 TO

THE ATTENTION OF THE BOARD. NOTWITHSTANDING THE ABOVE, A BOARD

RESOLUTION IS NOT REQUIRED FOR THE FILING OF THE ORGANIZATION'S IRS FORM

990. EACH BOARD MEMBER IS GIVEN A COPY OF THE FINAL IRS FORM 990 BEFORE

IT IS FILED.

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CONFLICT OF INTEREST POLICY MONITORPART VI SECTION B, LINE 12CTHE ORGANIZATION'S OFFICERS, DIRECTORS, EMPLOYEES AND MEDICAL STAFFMEMBERS, AS APPLICABLE, SHALL DISCLOSE CONFLICTS OF INTERESTS ORPOTENTIAL CONFLICTS OF INTEREST BETWEEN THEIR PERSONAL INTERESTS AND THEINTERESTS OF THE ORGANIZATION, OR ANY ENTITY CONTROLLED BY OR OWNED INSUBSTANTIAL PART BY THE ORGANIZATION.WHENEVER A CONFLICT OR POTENTIAL CONFLICT OF INTEREST EXISTS, THE NATUREOF THE CONFLICT OR POTENTIAL CONFLICT OF INTEREST MUST BE DISCLOSED INWRITING TO THE ORGANIZATION'S BOARD, BOARD COMMITTEE, AN OFFICER OF THEORGANIZATION OR OTHER APPROPRIATE EXECUTIVE. SUCH INDIVIDUAL HAVING APOTENTIAL CONFLICT OF INTEREST SHALL PLAY NO ROLE ON BEHALF OF THEORGANIZATION, OR ANY ORGANIZATION CONTROLLED OR SUBSTANTIALLY OWNED, INANY TRANSACTION IN WHICH A CONFLICT EXISTS.

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PUBLIC DISCLOSUREPART VI, SECTION C, LINE 19IN GENERAL, FINANCIAL AND TAX INFORMATION RELATING TO THE ORGANIZATION ISDEEMED PROPRIETARY AND NOT SUBJECT TO DISCLOSURE UPON REQUEST. HOWEVER,SPECIFIC PROVISIONS OF FEDERAL AND STATE LAW REQUIRE THE ORGANIZATION TODISCLOSE CERTAIN LIMITED FINANCIAL AND TAX DATA UPON A SPECIFIC REQUESTFOR THAT INFORMATION.REQUESTS FOR FORM 990 AND FORM 1023:A REQUESTOR SEEKING TO REVIEW AND/OR OBTAIN A COPY OF THE ORGANIZATION'SIRS FORM 990 OR FORM 1023 AS FILED WITH THE INTERNAL REVENUE SERVICE,INCLUDING ALL SCHEDULES AND ATTACHMENTS, MAY APPEAR IN PERSON OR SUBMIT AWRITTEN REQUEST. THE MOST RECENT THREE YEARS OF IRS FORM 990 MAY BEREQUESTED.IF THE REQUESTER APPEARS IN PERSON, THE INDIVIDUAL IS DIRECTED TO THEOFFICE OF THE CHIEF FINANCIAL OFFICER FOR THE ORGANIZATION AND THE FORM990 AND/OR FORM 1023 ARE MADE AVAILABLE FOR INSPECTION. THE INDIVIDUALIS PERMITTED TO REVIEW THE RETURN, TAKE NOTES AND REQUEST A COPY. IFREQUESTED, A COPY IS PROVIDED ON THE SAME DAY. A NOMINAL FEE IS CHARGEDFOR MAKING THE COPIES. THE ORGANIZATION MAY HAVE AN EMPLOYEE PRESENTDURING THE PUBLIC INSPECTION OF THE DOCUMENT.WRITTEN REQUESTS FOR AN ENTITY'S FORM 990 OR FORM 1023 ARE DIRECTEDIMMEDIATELY TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER FOR THEORGANIZATION. THE REQUESTED COPIES ARE MAILED WITHIN 30 DAYS OF THE

Name of the organization

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REQUESTER - REPRODUCTION FEES AND MAILING COSTS ARE CHARGED TO THE REQUESTOR.

CONFLICT OF INTEREST POLICY AND GOVERNING DOCUMENTS:

IF THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY OF OUR
ORGANIZATION ARE SUBJECT TO THE FEDERAL PUBLIC DISCLOSURE RULES (OR STATE
PUBLIC DISCLOSURE RULES), THESE DOCUMENTS WILL BE MADE PUBLICLY AVAILABLE
AS APPLICABLE LAW MAY REQUIRE. OTHERWISE, THE GOVERNING DOCUMENTS AND
CONFLICT OF INTEREST POLICY WILL BE PROVIDED TO THE PUBLIC AT THE
DISCRETION OF MANAGEMENT.

Name of the organization

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AUDITED FINANCIAL STATEMENTSPART IV, LINE 12:THE ORGANIZATION DID NOT RECEIVE A STANDALONE AUDITED FINANCIAL STATEMENTFOR THE YEAR FOR WHICH IT IS COMPLETING THIS RETURN. HOWEVER, THEORGANIZATION WAS INCLUDED IN THE CONSOLIDATION FINANCIAL STATEMENT AUDITPERFORMED FOR THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM AND SUBSIDIARIESFOR THE REPORTING YEAR BY OUR AUDITING FIRM, KPMG.

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

► Attach to Form 990 To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37
► See separate instructions

► See separate instructions

Name of the organization

JAMES L KERNAN HOSP ENDOWMENT FUND, INC

Employer identification number
23-7360743

Part I Identification of Disregarded Entities

Part II Identification of Related Tax-Exempt Organizations

(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
SEE SCHEDULE R-1					

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

Schedule R (Form 990) 2008

Part III Identification of Related Organizations Taxable as a Partnership

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(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
SEE SCHEDULE R-1							

Part V Transactions With Related Organizations**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?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1	X
b Gift, grant, or capital contribution to other organization(s)	1a	X
c Gift, grant, or capital contribution from other organization(s)	1b	X
d Loans or loan guarantees to or for other organization(s)	1c	X
e Loans or loan guarantees by other organization(s)	1d	X
f Sale of assets to other organization(s)	1e	X
g Purchase of assets from other organization(s)	1f	X
h Exchange of assets	1g	X
i Lease of facilities, equipment, or other assets to other organization(s)	1h	X
j Lease of facilities, equipment, or other assets from other organization(s)	1i	X
k Performance of services or membership or fundraising solicitations for other organization(s)	1j	X
l Performance of services or membership or fundraising solicitations by other organization(s)	1k	X
m Sharing of facilities, equipment, mailing lists, or other assets	1l	X
n Sharing of paid employees	1m	X
o Reimbursement paid to other organization for expenses	1n	X
p Reimbursement paid by other organization for expenses	1o	X
q Other transfer of cash or property to other organization(s)	1p	X
r Other transfer of cash or property from other organization(s)	1q	X
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	1r	X

	(A) Name of other organization(s)	(B) Transaction type (a-e)	(C) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

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.

Part II Continuation of Identification of Related Tax-Exempt Organizations

(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
BALTIMORE WASHINGTON EMERGENCY PHYS. INC. 52-1756326 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3) 11		BWMS
BALTIMORE WASHINGTON HEALTHCARE SERVICES 52-1830243 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3) 11		BWMS
BALTIMORE WASHINGTON MEDICAL CENTER, INC. 52-0689917 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3) 3		BWMS
BALTIMORE WASHINGTON MEDICAL SYSTEM, INC. 52-1830242 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	HEALTH CARE	MD	501 (C) (3) 11		UMMSC
BW MEDICAL CENTER FOUNDATION, INC. 52-1813656 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	FUNDRAISING	MD	501 (C) (3) 11		BWMS
NOPTH ARUNDEL DEVELOPMENT COPPORATION 52-1318404 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	REAL ESTATE	MD	501 (C) (2)		BWMS
NORTH COUNTY CORPORATION 52-1591355 301 HOSPITAL DRIVE GLEN BURNIE, MD 21061	REAL ESTATE	MD	501 (C) (2)		BWMS
CHESTER RIVER HEALTH FOUNDATION, INC. 52-1338861 100 BROWN STREET CHESTERTOWN, MD 21620	FUNDRAISING	MD	501 (C) (3) 11		CRHS
CHESTER RIVER HEALTH SYSTEM, INC. 52-2046500 100 BROWN STREET CHESTEPTOWN, MD 21620	HEALTH CARE	MD	501 (C) (3) 11		UMMSC
CHESTER RIVER HOSPITAL CENTER, INC. 52-0679694 100 BROWN STREET CHESTERTOWN, MD 21620	HEALTH CARE	MD	501 (C) (3) 3		CRHS
CHESTER RIVER MANOR, INC. 52-6070333 200 MORGNEC POAD CHESTERTOWN, MD 21620	HEALTH CARE	MD	501 (C) (3) 11		CRHS
MARYLAND GENERAL CLINICAL PRACTICE GROUP 52-1566211 827 LINDEN AVENUE BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3) 11		MGHS
MARYLAND GENERAL COMM HEALTH FOUNDATION 52-2147532 827 LINDEN AVENUE BALTIMORE, MD 21201	FUNDRAISING	MD	501 (C) (3) 11		MGHS
MARYLAND GENERAL HEALTH SYSTEMS, INC. 52-1175337 827 LINDEN AVENUE BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3) 11		UMMSC
MARYLAND GENERAL HOSPITAL, INC. 52-0591667 827 LINDEN AVENUE BALTIMORE, MD 21201	HEALTH CARE	MD	501 (C) (3) 3		MGHS

Schedule R-1 (Form 990) 2008

Part II Continuation of Identification of Related Tax-Exempt Organizations

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

Schedule R-1 (Form 990) 2008

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

Schedule R-1 (Form 990) 2008

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

Schedule R-1 (Form 990) 2008

JAMES L KERNAN HOSP ENDOWMENT FUND, INC

23-7360743

FORM 990, PART VIII - INVESTMENT INCOME

=====

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV	(D) EXCLUDED REVENUE
DIVIDENDS AND INTEREST FROM SECURITIES	1,009,148	NONE	NONE	1,009,148
TOTALS	1,009,148	NONE	NONE	1,009,148

JAMES L KERNAN HOSP ENDOWMENT FUND, INC.

23-7360743

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

=====

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
THE JAMES LAWRENCE KERNAN HOSPITAL, INC	52-0591639	03	X	X	X	272,999
TOTAL AMOUNT OF SUPPORT						272,999

=====

STATEMENT 2

JS1081 E014

V08-8.3 523439

Form 8868

(Rev April 2009)

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

Department of the Treasury
Internal Revenue Service

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ►
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ►

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization THE JAMES LAWRENCE KERNAN HOSPITAL ENDOWMENT FUND, INC.	Employer identification number 23-7360743
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions 2200 KERNAN DRIVE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions BALTIMORE, MD 21207	

Check type of return to be filed (file a separate application for each return)

<input checked="" type="checkbox"/>	Form 990
<input type="checkbox"/>	Form 990-BL
<input type="checkbox"/>	Form 990-EZ
<input type="checkbox"/>	Form 990-PF

<input type="checkbox"/>	Form 990-T (corporation)
<input type="checkbox"/>	Form 990-T (sec 401(a) or 408(a) trust)
<input type="checkbox"/>	Form 990-T (trust other than above)
<input type="checkbox"/>	Form 1041-A

<input type="checkbox"/>	Form 4720
<input type="checkbox"/>	Form 5227
<input type="checkbox"/>	Form 6069
<input type="checkbox"/>	Form 8870

- The books are in the care of ► MICHELLE LEE

Telephone No ► 410 328-1376

FAX No ► _____

- If the organization does not have an office or place of business in the United States, check this box ►
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box . ► If it is for part of the group, check this box . . ► and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for

► calendar year _____ or
► tax year beginning 07/01, 2008, and ending 06/30, 2009

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a \$ <u>NONE</u>
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b \$ <u>NONE</u>
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c \$ <u>NONE</u>

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev 4-2009)

- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box ►

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print	Name of Exempt Organization THE JAMES LAWRENCE KERNAN HOSP ENDOWMENT FUND, INC.	Employer identification number 23-7360743
File by the extended due date for filing the return. See instructions	Number, street, and room or suite no. If a P O box, see instructions. 2200 KERNAN DRIVE	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions BALTIMORE, MD 21207	

Check type of return to be filed (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ► MICHELLE LEE
Telephone No. ► 410 328-1376 FAX No ►
- If the organization does not have an office or place of business in the United States, check this box ►
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ► . If it is for part of the group, check this box ► and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until 05/15/2010
- For calendar year , or other tax year beginning 07/01/2008, and ending 06/30/2009
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$ <input type="text"/> NONE
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$ <input type="text"/> NONE
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c \$ <input type="text"/> NONE

Signature and Verification

NONE

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ► 

Title ► CPA

Date ► 11/11/09

Form 8868 (Rev. 4-2009)

KPMG LLP
2100 DOMINION TOWER
NORFOLK, VA 23510-3310

JSA

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JS1081 E014

V08-8.1 523439