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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

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning JUL 1, 2008 and ending JUN 30, 2009

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☒ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
ST EDWARD MERCY CLINIC INC

Doing Business As

Number and street (or P.O box if mail is not delivered to street address) Room/suite
7301 ROGERS AVENUE

City or town, state or country, and ZIP + 4
FORT SMITH, AR 72917

D Employer identification number
26-1318597

E Telephone number
479-314-6000

G Gross receipts $ 20,282,953.

F Name and address of principal officer GRETA WILCHER
SAME AS C ABOVE

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

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶ 0928

I Tax-exempt status ☒ 501(c)(3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.STEDWARDMERCY.COM

K Type of organization: ☐ Corporation ☐ Trust ☐ Association ☒ Other ▶ HOSPI

L Year of formation 2007 M State of legal domicile: AR

Part I Summary

1	Briefly describe the organization's mission or most significant activities: ROOTED IN THE MISSION OF JESUS AND THE HEALING MINISTRY OF THE CHURCH, AND FAITHFUL TO CATHERINE		
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	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	1
5	Total number of employees (Part V, line 2a)	5	98
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)		
9	Program service revenue (Part VIII, line 2g)		18,663,731.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		-196.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		1,619,418.
12	Total revenue add lines 8 through 11 (must equal Part VIII, column (A), line 12)		20,282,953.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		1,000.
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		10,046,231.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		16,590,689.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		26,637,920.
19	Revenue less expenses Subtract line 18 from line 12		-6,354,967.

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)		2,255,971.
21	Total liabilities (Part X, line 26)		8,610,938.
22	Net assets or fund balances Subtract line 21 from line 20		-6,354,967.

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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 — Date 5/24/10

GRETA WILCHER, CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature — Date 5/18/10 — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions) P00082380

Firm's name (or yours if self-employed), address and ZIP + 4:
BEALL BARCLAY & COMPANY, PLC, CPA
P. O. BOX 10148
FORT SMITH, AR 72917

EIN ▶ 71-0355269

Phone no. ▶ (479) 484-5740

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

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

10 P

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission NONE

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

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code) (Expenses $ 4,115,452. including grants of $) (Revenue $ 3,156,039.)
EMERGENCY DEPARTMENT —— ST. EDWARD MERCY CLINIC EMPLOYS 12 PHYSICIANS ENGAGED IN PROVIDING EMERGENCY MEDICAL TREATMENT FOR MAIN ST. EDWARD MERCY MEDICAL CENTER EMERGENCY ROOM, 24 HOURS A DAY, SEVEN DAYS A WEEK. THREE CRITICAL ACCESS HOSPITAL EMERGENCY ROOMS ARE STAFFED WITH ADDITIONAL PHYSICIANS AS WELL. THERE IS AN ONGOING DEMAND FOR HIGH-QUALITY, EFFICIENT EMERGENCY MEDICAL CARE IN OUR SERVICE AREAS. THE EMERGENT CARE PHYSICIANS, NURSES, AND SUPPORT STAFF HAVE DEVELOPED A TEAM APPROACH IN THE PAST YEAR TO HELP ENSURE PATIENTS WILL BE SEEN PROMPTLY UPON ARRIVAL WITH A GOAL OF BEING EXAMINED BY A PHYSICIAN WITHIN 30 MINUTES. THE ED FEATURES A MINOR MEDICAL CARE AREA FOR MINOR INJURIES, AN ACUTE CARE AREA FOR LIFE-THREATENING EMERGENCIES, SUCH AS CHEST PAINS, SHORTNESS OF BREATH, AND EVERYTHING IN BETWEEN. MERCY

4b (Code.) (Expenses $ 4,156,390. including grants of $) (Revenue $ 2,194,697.)
HOSPITALIST GROUP —— ST. EDWARD MERCY CLINIC EMPLOYS AND CONTRACTS WITH PHYSICIANS WHOSE PRIMARY ROLE IS TO PROVIDE GENERAL MEDICAL CARE TO HOSPITALIZED PATIENTS AT ST. EDWARD MERCY MEDICAL CENTER. PATIENTS HOSPITALIZED THROUGH AN EMERGENCY ROOM VISIT, THROUGH A REFERRAL, OR BY A PRIMARY CARE PHYSICIAN, MAY REQUEST THAT OUR HOSPITALIST PHYSICIAN MANAGE MEDICAL CARE DURING THE PATIENTS HOSPITAL STAY. THE HOSPITALIST PHYSICIAN PROGRAM ENSURES THE PATIENTS OVERALL CARE PLAN IS FOLLOWED UNTIL DISCHARGE. HOSPITALISTS HAVE BECOME AN INTEGRAL PART OF ST. EDWARD MERCY CLINICS SERVICE LINES.

4c (Code) (Expenses $ 2,437,474. including grants of $) (Revenue $ 1,552,011.)
FAMILY MEDICINE CLINICS —— ST EDWARD MERCY CLINIC EMPLOYS FAMILY MEDICINE PHYSICIANS WHO PRACTICE AT 3 LOCATIONS IN FORT SMITH, AR AND AT TWO RURAL HEALTH CLINICS. FOUR NEW FAMILY MEDICINE PHYSICIANS WERE ADDED IN 2009 FOR A TOTAL OF SEVEN AND RECRUITMENT EFFORTS CONTINUE. TO SUPPORT THE MISSION TO CARE FOR THOSE MOST IN NEED WITHIN OUR COMMUNITY AND TO SUPPORT LONG TERM GROWTH OF OTHER PHYSICIAN CLINIC SPECIALTIES WITHIN THE HEALTH NETWORK, MORE FAMILY PRACTICE PHYSICIANS ARE A PRIORITY IN OUR SERVICE AREAS.

4d Other program services (Describe in Schedule O)
(Expenses $ 11,006,358. including grants of $) (Revenue $)

4e **Total program service expenses ▶ $** 21,715,674. *(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	**Section 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 as 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 sections 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

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	0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
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	98		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
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
b	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
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c		
6a	Did the organization solicit any contributions that were not tax deductible?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		7g		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h		X
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.**				
a	Did the organization make any taxable distributions under section 4966?		9a		X
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		X
10	**Section 501(c)(7) organizations.** Enter N/A				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter N/A				
a	Gross income from members or shareholders	11a			
b	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		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	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, processes, or changes in Schedule O. See instructions			
1a	Enter the number of voting members of the governing body 1a 9			
b	Enter the number of voting members that are independent 1b 1			
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	X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

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 ▶

GRETA WILCHER, CFO - (479)314-6104
7301 ROGERS AVENUE, FORT SMITH, AR 72903

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SR. REBECCA HENDRICKS, R CHAIR	1.00	X						0.	0.	0.
SR. JUDITH MARIE KEITH, TRUSTEE	1.00	X						0.	0.	0.
JEFFERY A. JOHNSTON PRESIDENT & CEO	40.00	X		X				0.	303,941.	74,946.
GRETA WILCHER CFO	40.00	X		X				0.	198,209.	18,188.
SR. MARY ANNRENE BRAU, R BOARD MEMBER	1.00	X						0.	0.	0.
SR. MARY KATHRYN SLAUGHT BOARD MEMBER	1.00	X						0.	0.	0.
JOHN T. WOMACK BOARD MEMBER	1.00	X						0.	0.	0.
RICHARD R. HAHN BOARD MEMBER	1.00	X						0.	0.	0.
SR. DIANE KOORIE, RSM BOARD MEMBER	1.00	X						0.	0.	0.
NATHAN BENNETT, D.O. M.S BOARD MEMBER	1.00	X						0.	446,296.	32,607.
JON HENDRICKSON, M.D. BOARD MEMBER	1.00	X						0.	0.	0.
SUSAN GROBMYER BOARD MEMBER	1.00	X						0.	0.	0.
MATT KEEP COO	40.00	X		X				0.	183,054.	3,553.
DELILAH EASOM, M.D. BOARD MEMBER	1.00	X						0.	3,960.	0.
SAURIN PATEL, M.D. BOARD MEMBER	1.00	X						0.	49,572.	0.
JOSH WILKINSON, M.D. BOARD MEMBER	1.00	X						0.	21,752.	0.
WILLIAM E. GENTRY CONTROLLER	40.00				X			0.	127,060.	25,863.

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ROBERT C PATTON PHYSICIAN, CLINIC CEO	40.00					X		313.	145,517.	3,117.
BILL SENNEFF FORMER COO	40.00						X	0.	235,662.	77,023.
JERRY STEVENSON FORMER PRESIDENT & CEO	40.00						X	0.	3,469,051.	507,814.
1b Total ▶								313.	5,184,074.	743,111.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	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
CLINICAL PARTNERS AR PA PO BOX 4502, LONGVIEW, TX 75606	SUBSIDY FOR ANESTHESIA SERVICES	292,413.

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

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d				
	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 ▶				
Program Service Revenue	Business Code				
	2a PATIENT SERVICES RENDE 624100	18663731.	18663731.		
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f ▶	18663731.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶	-196.			-196.
	4 Income from investment of tax-exempt bond proceeds ▶				
	5 Royalties ▶				
	(i) Real (ii) Personal				
	6a Gross Rents				
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶				
	(i) Securities (ii) Other				
	7a Gross amount from sales of assets other than inventory				
	b Less cost or other basis and sales expenses				
	c Gain or (loss)				
	d Net gain or (loss) ▶				
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a				
	b Less direct expenses b				
	c Net income or (loss) from fundraising events ▶				
	9a Gross income from gaming activities See Part IV, line 19 a				
	b Less direct expenses b				
	c Net income or (loss) from gaming activities ▶				
	10a Gross sales of inventory, less returns and allowances a				
	b Less cost of goods sold b				
	c Net income or (loss) from sales of inventory ▶				
	Miscellaneous Revenue Business Code				
	11a BILLING FEES REVENUE 624100	1,063,579.	1,063,579.		
	b MANAGEMENT FEES REVENU 624100	549,787.	549,787.		
	c MISCELLANEOUS 624100	6,052.	6,052.		
	d All other revenue				
	e Total. Add lines 11a-11d ▶	1,619,418.			
	12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	20282953.	20283149.	0.	-196.

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Form **990** (2008)

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				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	1,000.	1,000.		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	9,049,388.	7,352,893.	1,696,495.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	87,845.	71,377.	16,468.	
9 Other employee benefits	513,457.	417,199.	96,258.	
10 Payroll taxes	395,541.	321,389.	74,152.	
11 Fees for services (non-employees)				
a Management				
b Legal	22,208.	5.	22,203.	
c Accounting	10,170.	3,309.	6,861.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	840,080.	850,643.	-10,563.	
12 Advertising and promotion	28,041.	22,444.	5,597.	
13 Office expenses	709,712.	314,511.	395,201.	
14 Information technology	2,510,109.	3,562.	2,506,547.	
15 Royalties				
16 Occupancy	405,731.	325,593.	80,138.	
17 Travel	31,959.	7,593.	24,366.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	29,812.	27,420.	2,392.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,601.	11,377.	224.	
23 Insurance	247,099.	242,190.	4,909.	
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 PATIENT REVENUE DEDUCTI	9,184,603.	9,184,603.		
b PROVISION OF BAD DEBT	2,554,384.	2,554,384.		
c REPAIR & MAINTENANCE	4,701.	3,654.	1,047.	
d MISCELLANEOUS	479.	528.	-49.	
e				
f All other expenses				
25 Total functional expenses Add lines 1 through 24f	26,637,920.	21,715,674.	4,922,246.	0.
26 Joint Costs. Check here ▶ ☐ 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	1,000.
	2	Savings and temporary cash investments			2	5,832.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net			4	1,632,067.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L			5	
	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 sale or use			8	
	9	Prepaid expenses and deferred charges			9	158,857.
	10a	Land, buildings, and equipment cost basis	10a 469,816.			
	b	Less accumulated depreciation Complete Part VI of Schedule D	10b 11,601.	0.	10c	458,215.
	11	Investments - publicly traded securities			11	
	12	Investments - other securities. See Part IV, line 11			12	
	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)		0.	16	2,255,971.
Liabilities	17	Accounts payable and accrued expenses			17	508,736.
	18	Grants payable			18	
	19	Deferred revenue			19	
	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		0.	25	8,102,202.
	26	**Total liabilities.** Add lines 17 through 25		0.	26	8,610,938.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	-6,354,967.
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] 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		0.	33	-6,354,967.
	34	Total liabilities and net assets/fund balances		0.	34	2,255,971.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 [ ] Cash [X] Accrual [ ] 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	X	
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	Employer identification number
ST EDWARD MERCY CLINIC INC	26-1318597

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 the 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?

		Yes	No
(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?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

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 U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

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

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

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 section 501(c)(3) organization, check this box and **stop here** ▶ ☐

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 ▶ ☐

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 ▶ ☐

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 "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 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 ▶ ☐

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

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

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** ▶ ☐

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 ▶ ☐

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 ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ 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.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: ST EDWARD MERCY CLINIC INC

Employer identification number: 26-1318597

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? ☐ Yes ☐ 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? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of certified historic structure

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

		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? ☐ Yes ☐ 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part IV 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
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	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					
b	Contributions					
c	Investment earnings or losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings		25,937.	682.	25,255.
c Leasehold improvements				
d Equipment		443,879.	10,919.	432,960.
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)*			▶	458,215.

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		
Total (Col (b) should equal Form 990, Part X, col (B) line 12.) ▶		

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

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

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

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

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

(a) Description of liability	(b) Amount
Federal income taxes	
DUE TO AFFILIATES	8,102,202.
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	8,102,202.

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	20,282,953.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	26,637,920.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-6,354,967.
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	0.
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-6,354,967.

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	11,098,350.
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	0.
3	Subtract line 2e from line 1			3	11,098,350.
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	9,184,603.		
c	Add lines 4a and 4b			4c	9,184,603.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)			5	20,282,953.

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

1	Total expenses and losses per audited financial statements			1	17,453,316.
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	0.
3	Subtract line 2e from line 1			3	17,453,316.
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	9,184,604.		
c	Add lines 4a and 4b			4c	9,184,604.
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)			5	26,637,920.

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

PART XII, LINE 4B - OTHER ADJUSTMENTS:

PATIENT REVENUE DEDUCTIONS: 9184603.

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

PATIENT REVENUE DEDUCTIONS: 9184603.

ROUNDING: 1.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.
▶ Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: ST EDWARD MERCY CLINIC INC

Employer identification number: 26-1318597

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
b	If "Yes," does the organization make it available to the public?	6b		

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *Worksheets 1 and 2)*						
b Unreimbursed Medicaid (from *Worksheet 3, column a)*						
c Unreimbursed costs - other means-tested government programs (from *Worksheet 3, column b)*						
d **Total** Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part V | **Facility Information** *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
ST. EDWARD MERCY CLINICS INC 5401 ELLSWORTH RD FORT SMITH, AR 72903									PHYSICIAN CLINICS

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For 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.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

ST EDWARD MERCY CLINIC INC

Employer identification number

26-1318597

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ 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	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
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 ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ 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?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	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?	5a		X
b	Any related organization?	5b		X
	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?	6a		X
b	Any related organization?	6b		X
	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	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		X

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 compensation				
	(i)	0.	0.	0.	0.	0.	0.	0.
JEFFERY A. JOHNSTON	(ii)	216,132.	41,360.	46,449.	60,774.	14,172.	378,887.	113,073.
	(i)	0.	0.	0.	0.	0.	0.	0.
GRETA WILCHER	(ii)	176,461.	20,256.	1,492.	12,280.	5,908.	216,397.	87,446.
	(i)	0.	0.	0.	0.	0.	0.	0.
NATHAN BENNETT, D.O. M.S	(ii)	265,324.	114,910.	66,062.	22,826.	9,781.	478,903.	167,796.
	(i)	0.	0.	0.	0.	0.	0.	0.
MATT KEEP	(ii)	142,748.	23,507.	16,799.	3,553.	0.	186,607.	75,664.
	(i)	0.	0.	0.	0.	0.	0.	0.
WILLIAM E. GENTRY	(ii)	100,147.	9,307.	17,606.	20,755.	5,108.	152,923.	58,133.
	(i)	-22.	313.	22.	0.	0.	313.	0.
ROBERT C PATTON	(ii)	135,380.	1,171.	8,966.	2,758.	359.	148,634.	0.
	(i)	0.	0.	0.	0.	0.	0.	0.
BILL SENNEFF	(ii)	187,916.	37,100.	10,646.	68,461.	8,562.	312,685.	132,215.
	(i)	0.	0.	0.	0.	0.	0.	0.
JERRY STEVENSON	(ii)	355,448.	107,957.	3,005,646.	496,846.	10,968.	3,976,865.	631,487.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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

PART I, LINE 4B: SCHEDULE J, PART I, QUESTION 4B

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP):

JEFF JOHNSTON - $0

JERRY STEVENSON - $2,887,359.93

SUPPLEMENTAL MANAGEMENT RETIREMENT PLAN (SMRP):

LARRY W PEARCE - $0

GRETA WILCHER - $0

PART I, LINE 7: THE FILING ORGANIZATION PROVIDES A NON-FIXED BONUS PLAN FOR WHICH CERTAIN TIERS OF ITS EMPLOYEES ARE ELIGIBLE. PAYMENT OF ALL OR PART OF THE BONUS IS CONTINGENT UPON PERCENTAGE ATTAINMENT OF (I) PERSONAL GOALS, (II) CERTAIN FINANCIAL TARGETS, AND (III) BEHAVIOR CONSISTENT WITH SERVICE STANDARDS IN SUPPORT OF THE MISSION AND PURPOSE OF THE SISTERS OF MERCY HEALTH SYSTEM ("MERCY"), THE SOLE CORPORATE MEMBER OF THE FILING ORGANIZATION. PAYMENTS ARE MADE ANNUALLY IN OCTOBER FOLLOWING (I) THE CONCLUSION OF THE FISCAL YEAR AND (II) DETERMINATION OF GOAL ACHIEVEMENT. BONUS OPPORTUNITIES RANGE FROM 0% - 30% OF BASE COMPENSATION, DEPENDING UPON THE LEADERSHIP LEVEL AND ATTAINMENT PERCENTAGE. BONUS OPPORTUNITY

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

LEVELS ARE VALIDATED BY AN EXTERNAL CONSULTING FIRM AND ARE THEN TAKEN INTO ACCOUNT BY THE EXECUTIVE COMPENSATION COMMITTEE OF MERCY WHEN ANALYZING EXECUTIVE COMPENSATION FOR REASONABLENESS.

SCHEDULE J, PART I, QUESTION 3

THE FILING ORGANIZATION RELIES ON A RELATED ORGANIZATION; REFER TO SCHEDULE O, PART VI, QUESTION 15A AND 15B FOR THE PROCESS THE RELATED ORGANIZATION FOLLOWS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

ST EDWARD MERCY CLINIC INC

Employer identification number

26-1318597

FORM 990, PART I, ITEM K, OTHER ORGANIZATION TYPE:

HOSPITAL

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MCAULEYS SERVICE TRADITION MARKED BY JUSTICE, EXCELLENCE, STEWARDSHIP AND RESPECT FOR THE DIGNITY OF EACH PERSON, THE SISTERS OF MERCY HEALTH SYSTEM IMPLEMENTS AND ADVOCATES FOR INNOVATIVE HEALTH AND SOCIAL SERVICES TO IMPROVE THE HEALTH AND QUALITY OF LIFE OF COMMUNITIES SERVED, WITH PARTICULAR CONCERN FOR PEOPLE WHO ARE ECONOMICALLY POOR. IN DOING SO, WE MAKE A DIFFERENCE BY TOUCHING THE LIVES OF THOSE WE SERVE WITH COMPASSION AND EXCEPTIONAL MERCY SERVICE.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS

CLINIC ELICITS QUALITY OF CARE RESPONSE FROM PATIENTS TREATED IN THE ED DEPT THROUGH COMPLETION OF A PRESS GANEY QUESTIONNAIRE WITH ANONYMOUS FEEDBACK OPTIONAL.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

OTHER HEALTH CARE PROGRAMS

EXPENSES $ 11006358. INCLUDING GRANTS OF $ 0. REVENUE $ 0.

FORM 990, PART VI, SECTION A, LINE 7A: THE MAJORITY OF THE BOARD IS COMPOSED OF LOCAL INDEPENDENT REPRESENTATIVES. THE CEO AND CFO ARE PRIMARILY DEFAULT MEMBERS ALONG WITH A MINIMUM OF TWO RELIGIOUS SISTERS OF MERCY. ALL POSITIONS, EXCEPT CEO AND CFO, ARE VOLUNTARY AND NONPAID.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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Name of the organization

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Employer identification number

26-1318597

FORM 990, PART VI, SECTION A, LINE 10: FIRST REVIEW IS COMPLETED BY THE GENERAL LEDGER ACCOUNTANT THAT PREPARES THE MONTHLY FINANCIAL STATEMENT. THE SECOND REVIEW IS COMPLETED BY SEMHS CORPORATE CONTROLLER. THEN, IT IS SENT TO THE CFO FOR FINAL REVIEW AND SIGNING.

ALSO, THE FORM 990 WAS REVIEWED IN DETAIL BY MEMBERS OF THE ORGANIZATION'S TAX COMPLIANCE TEAM. MEMBERS OF THIS TEAM ARE FROM VARIOUS DEPARTMENTS INCLUDING FINANCE, LEGAL AND HUMAN RESOURCES. IN ADDITION, THE FORM 990 WAS REVIEWED AT A HIGHER LEVEL BY CERTAIN MEMBERS OF THE ORGANIZATION∅S GOVERNING BODY CONSTITUTING THE EXECUTIVE COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 12C: THE COMPLIANCE POLICY COVERAGE INCLUDES: CO-WORKERS, LEADERS, PROVIDERS, BOARD MEMBERS, AND ADMINISTRATORS. THE DETERMINATION OF A CONFLICT-OF-INTEREST IS MADE AND REVIEWED AT ALL LEVELS. A CORPORATE COMPLIANCE COMMITTEE MEETS TO REVIEW ANY CONFLICTS AND PROVIDE A REASONABLE ALTERNATIVE TO RESOLVE THE CONFLICT-OF-INTEREST, WHICH MAY INCLUDE SUPERVISORY PROCEDURES OR TRANSFER A DECISION-MAKING ROLE. FOR BOARD MEMBERS, THEY ARE EXCLUDED FROM THE DELIBERATIONS AND DECISIONS MAKING PROCESS.

FORM 990, PART VI, SECTION B, LINE 15: FOR THOSE CLASSIFIED AS OFFICERS (AND THUS DISQUALIFIED PERSONS), THE ORGANIZATION USES THE FOLLOWING TO ESTABLISH THE COMPENSATION: EXTERNAL MARKET SALARY SURVEYS, EXTERNAL MARKET SALARY STUDIES, ENGAGEMENT OF AN INDEPENDENT COMPENSATION CONSULTANT, AND REVIEW/APPROVAL OF COMPENSATION BY THE EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF THE SOLE MEMBER. FOR THOSE CLASSIFIED AS KEY EMPLOYEES, THE

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

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.

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Employer identification number: 26-1318597

ORGANIZATION USES THE FOLLOWING TO ESTABLISH THE COMPENSATION: EXTERNAL MARKET SALARY SURVEYS, EXTERNAL MARKET SALARY STUDIES, AND REVIEW/APPROVAL OF EXECUTIVE MANAGEMENT.

FORM 990, PART VI, SECTION C, LINE 19: ST. EDWARD HEALTH SYSTEM PUBLISHES A YEARLY COMMUNITY BENEFITS REPORT FOR THE PUBLIC. IN ADDITION, ST. EDWARD HAS MADE AVAILABLE TO THE GENERAL PUBLIC THE FINANCIAL STATEMENTS, MEDICARE COST REPORTS AND TAX RETURNS THROUGH FREEDOM OF INFORMATION REQUESTS. CONFLICT OF INTEREST INFORMATION IS KEPT IN ADMINISTRATION.

FORM 990, PART VII CONTACT ADDRESSES FOR OFFICERS, DIRECTORS, ETC:
SR. MARY ANNRENE BRAU, RSM - P.O. BOX 388
INDEPENDENCE, KS 67301

SR. MARY KATHRYN SLAUGHTER, RSM - 2039 NORTH GEYER ROAD
ST. LOUIS, MO 63131

SR. DIANE KOORIE, RSM - 4300 W MEMORIAL ROAD
OKLAHOMA CITY, OK 73120

FORM 990 PART XI LINE 2C
CHANGE OF 990 REVIEW PROCESS
THIS YEAR, BECAUSE OF THE ADDITIONAL FORMS AND OTHER CHANGES, THE MERCY HEALTH MINISTRY IN ST. LOUIS HAS REQUESTED A REVIEW OF OUR TAX RETURNS TO MAKE SURE WE ARE BEING CONSISTENT IN THE WAY WE ARE FILING ACROSS ALL FACILITIES WITHIN THE MERCY HEALTH MINISTRY.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

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.

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2008

Open to Public Inspection

Name of the organization: ST EDWARD MERCY CLINIC INC

Employer identification number: 26-1318597

SCHEDULE R, PART V, QUESTION 2, LINE 2 AND 3

ST. EDWARD MEDICAL SERVICES, INC. (20-2965518)

ST. EDWARD MERCY FOUNDATION (23-7330425)

ST. EDWARD MERCY MEDICAL CENTER (71-0240352)

ST. EDWARD FACILITIES OF SCOTT COUNTY (71-0557895)

ST. EDWARD HEALTH FACILITIES OF LOGAN COUNTY (71-0655753)

ST. EDWARD HEALTH FACILITIES OF FRANKLIN COUNTY (71-0689680)

SCHEDULE R, PART V, QUESTION 2, LINE 4

SISTERS OF MERCY HEALTH SYSTEM (43-1423050)

MCAULEY PORTFOLIO MANAGEMENT COMPANY (26-1708048)

MERCY FOUNDATION FOR HEALTH INNOVATION (20-0901499)

FRONTENAC PROPERTIES, INC. (52-1914421)

SISTERS OF MERCY MINISTRIES (72-1069468)

RESOURCE OPTIMIZATION & INNOVATION, LLC (46-0468368)

MHM SUPPORT SERVICES (20-2553101)

SCHEDULE R, PART V

LAWSON ERP SOFTWARE IS THE PRIMARY ACCOUNTING SOFTWARE USED BY SISTERS OF MERCY HEALTH SYSTEM, INC. AND SUBSIDIARIES. AS A RESULT, THE MAJORITY OF THE INTERCOMPANY / RELATED ORGANIZATION TRANSACTIONS ARE PROCESSED THROUGH LAWSON VIA INTERCOMPANY JOURNAL ENTRIES. WITH THE CURRENT DESIGN OF THE ERP SYSTEM, THERE ARE LIMITATIONS ON THE TYPE OF RELATED ORGANIZATION INFORMATION THAT CAN BE EXTRACTED FROM LAWSON.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

ST EDWARD MERCY CLINIC INC

Employer identification number

26-1318597

THESE LIMITATIONS INCLUDE BOTH AN INABILITY TO CLASSIFY TRANSACTIONS INTO THE VARIOUS CATEGORIES AS PER SCHEDULE R, PART V, QUESTION 1, AND AN INABILITY TO DETERMINE BOTH PARTIES INVOLVED IN THE TRANSACTION. DUE TO THESE LIMITATIONS, MOST OF THE RELATED ORGANIZATION ACTIVITY FOR THE FILING ORGANIZATION HAS BEEN SUMMARIZED ON SCHEDULE R, PART V, IN LINES O AND P. IN ADDITION, ALTHOUGH WE WERE ABLE TO IDENTIFY THE FILING ORGANIZATION AS ONE PARTY TO THE TRANSACTION, WE WERE ONLY ABLE TO LIMIT THE OTHER PARTY INVOLVED IN THE TRANSACTION TO A SPECIFIC GROUP OF ENTITIES. FOR EACH LINE ON SCHEDULE R, PART V, QUESTION 2, WE REFERENCE THE READER TO SCHEDULE O, WHERE ALL ENTITIES WITHIN THE SPECIFIC GROUP ARE LISTED FOR THE TRANSACTIONS.

SCHEDULE R (Form 990)
Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047
2008
Open to Public Inspection

Name of the organization
ST EDWARD MERCY CLINIC INC

Employer identification number
26-1318597

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(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
ST. EDWARD MERCY FOUNDATION - 23-7330425 P.O. BOX 17000 FORT SMITH, AR 72917	RAISE INCOME FOR THE BENEFIT OF ST. EDWARD MERCY HEALTH INSTITUTION	ARKANSAS	501(C)(3)	11C	N/A
ST. EDWARD MERCY MEDICAL CENTER - 71-0240352 P.O. BOX 17000 FORT SMITH, AR 72917	HOSPITAL	ARKANSAS	501(C)(3)	3	ST.EDWARD MERCY HEALTH SYSTEM, INC.
ST. EDWARD HEALTH FACILITIES OF FRANKLIN COUNTY - 71-0689680, 801 W. RIVER STREET, OZARK, AR 72949	HOSPITAL	ARKANSAS	501(C)(3)	3	ST.EDWARD MERCY MEDICAL CENTER
ST. EDWARD HEALTH FACILITIES OF SCOTT COUNTY - 71-0557895, 1341 WEST 6TH STREET, WALDRON, AR 72958	HOSPITAL	ARKANSAS	501(C)(3)	3	ST.EDWARD MERCY MEDICAL CENTER

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No
SOUTHERN OKLAHOMA DIAGNOSTIC CENTER, LLC - 43-1971232, 1011 FOURTEETH AVENUE NW, ARDMORE, OK 73401	MRI SERVICES	OK	N/A		0.	0.		X	N/A		X
RESOURCE OPTIMIZATION & INNOVATION, LLC - 46-0468368, 645 MARYVILLE CENTRE DRIVE, SUITE 200, ST. LOUIS, MO	CENTRAL DISTRIBUTION CENTER	MO	N/A		0.	0.		X	N/A		X
MERCY AMBULATORY SURGERY CENTER, LLC - 71-0827721, 7301 ROGERS AVENUE, FORT SMITH, AR 72917	AMBULATORY SURGERY CENTER	AR	N/A		0.	0.		X	N/A		X
HOT SPRINGS EQUIPMENT LEASING, LLC - 20-4340915, 300 WERNER STREET, HOT SPRINGS, AR 71913	TO ACQUIRE AND LEASE DIAGNOSTIC IMAGING EQUIPMENT	AR	N/A		0.	0.		X	N/A		X

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
ST. EDWARD MERCY MEDICAL SERVICES, INC. - 20-2965518 7301 ROGERS AVENUE FORT SMITH, AR 72903	PROVIDE/SUPPORT PROFESSIONAL MEDICAL SERVICES	AR	N/A	C CORP	0.	0.	.00%
CONSOLIDATED LOGISTICS, INC. - 71-0474406 2710 RIFE MEDICAL LANE ROGERS, AR 72758	HOLDING COMPANY	AR	N/A	C CORP	0.	0.	.00%
MERCY COMMUNITY SERVICES, INC. - 48-1078101 401 WOODLAND HILLS BLVD. FORT SCOTT, KS 66701	CATERING OPERATIONS	KS	N/A	C CORP	0.	0.	.00%
FRONTENAC PROPERTIES, INC. - 52-1914421 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	HOLDS ANCILLARY ASSETS & OWNS AIRCRAFTS	DE	N/A	C CORP	0.	0.	.00%
MHP, INC. - 43-1697084 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	HOLDING COMPANY	DE	N/A	C CORP	0.	0.	.00%

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c		X
d Loans or loan guarantees to or for other organization(s)	1d		X
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n		X
o Reimbursement paid to other organization for expenses	1o	X	
p Reimbursement paid by other organization for expenses	1p	X	
q Other transfer of cash or property to other organization(s)	1q		X
r Other transfer of cash or property from other organization(s)	1r		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.

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) ST. EDWARD MERCY MEDICAL CENTER	O	127,856.
(2) SEE SCHEDULE O	O	6,886,851.
(3) SEE SCHEDULE O	P	4,016,541.
(4) SEE SCHEDULE O	O	119,580.
(5) MERCY MEDICAL SERVICES, INC.	O	2,709,513.
(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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations? Yes	(D) No	(E) Share of end-of-year assets	(F) Disproportionate allocations? Yes	(F) No	(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner? Yes	(H) No

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
ST. EDWARD HEALTH FACILITIES OF LOGAN COUNTY - 71-0655753, 500 EAST ACADEMY, PARIS, AR 72855	HOSPITAL	ARKANSAS	501(C)(3)	3	ST.EDWARD MERCY MEDICAL CENTER
ST. EDWARD MERCY HEALTH SYSTEM, INC. - 26-1318515, 7301 ROGERS AVENUE, FORT SMITH, AR 72917	HOLDING COMPANY	ARKANSAS	501(C)(3)	11B	SMHS
ST. MARY-ROGERS MEMORIAL HOSPITAL, INC. - 71-0294390, 2710 RIFE MEDICAL LANE, ROGERS, AR 72758	HOSPITAL	ARKANSAS	501(C)(3)	3	MERCY HEALTH SYSTEM OF NORTHWEST ARKANSAS, INC.
MERCY HEALTH SYSTEM OF NORTHWEST ARKANSAS, INC. - 62-1684203, 2710 RIFE MEDICAL LANE, ROGERS, AR 72758	PHYSICIAN GROUP	ARKANSAS	501(C)(3)	3	N/A
ST. MARY'S HOSPITAL FOUNDATION - 71-0601687 2710 RIFE MEDICAL LANE ROGERS, AR 72758	FOUNDATION	ARKANSAS	501(C)(3)	11C	SMHS
ADVANCE CARE HOSPITAL - 71-0816634 300 WERNER STREET, 3RD FLOOR HOT SPRINGS, AR 71913	LONG TERM ACUTE-CARE HOSPITAL	ARKANSAS	501(C)(3)	3	SMHS
ST. JOSEPH'S MERCY HEALTH FOUNDATION - 71-0804718, 300 WERNER STREET, 3RD FLOOR, HOT SPRINGS, AR 71913	FOUNDATION	ARKANSAS	501(C)(3)	11B	ST. JOSEPH'S MERCY HEALTH SYSTEM, INC.
ST. JOSEPH'S MERCY HEALTH SYSTEM, INC. - 26-1125064, 300 WERNER STREET, 3RD FLOOR, HOT SPRINGS, AR 71913	HOLDING COMPANY	ARKANSAS	501(C)(3)	11B	N/A
ST. JOSEPH'S MERCY CLINIC, INC. - 26-1125131 1 MERCY LANE HOT SPRINGS, AR 71913	PHYSICIAN CLINIC	ARKANSAS	501(C)(3)	9	ST. JOSEPH'S MERCY HEALTH SYSTEM, INC.
ST. JOSEPH'S MERCY HEALTH CENTER - 71-0236913, 300 WERNER STREET, 3RD FLOOR, HOT SPRINGS, AR 71913	HOSPITAL	ARKANSAS	501(C)(3)	3	ST. JOSEPH'S MERCY HEALTH SYSTEM, INC.
MISSION CLINIC SERVICES - 13-4239691 300 WERNER STREET, 3RD FLOOR HOT SPRINGS, AR 71913	PHYSICIAN CLINIC	ARKANSAS	501(C)(3)	9	ST. JOSEPH'S MERCY HEALTH SYSTEM, INC.
MERCY HEALTH CENTER FOUNDATION - 48-1077073 401 WOODLAND HILLS BLVD FORT SCOTT, KS 66701	FOUNDATION	KANSAS	501(C)(3)	11C	MERCY HEALTH SYSTEM OF KANSAS, INC.

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
MERCY HOSPITAL FOUNDATION OF INDEPENDENCE, INC. - 48-1079981, 800 W. MYRTLE, INDEPENDENCE, KS 67301	FOUNDATION	KANSAS	501(C)(3)	11A	MERCY HEALTH SYSTEM OF KANSAS, INC.
MERCY HEALTH SYSTEM OF KANSAS, INC. - 48-0956045, 401 WOODLAND HILLS BLVD, FORT SCOTT, KS 66701	HOSPITAL	KANSAS	501(C)(3)	3	SMHS
SISTERS OF MERCY HEALTH SYSTEM - 43-1423050 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	HEALTH SYSTEM - CORPORATE OFFICE	MISSOURI	501(C)(3)	1	N/A
MCAULEY PORTFOLIO MANAGEMENT COMPANY - 26-1708048, 14528 S. OUTER FORTY, SUITE 100, CHESTERFIELD, MO 63017	PORTFOLIO MANAGEMENT	MISSOURI	501(C)(3)	11B	SMHS
MERCY FOUNDATION FOR HEALTH INNOVATION - 20-0901499, 14528 S. OUTER FORTY, SUITE 100, CHESTERFIELD, MO 63017	FOUNDATION	MISSOURI	501(C)(3)	11B	SMHS
MHM SUPPORT SERVICES - 20-2553101 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	CENTRALIZED HEALTH SYSTEM FUNCTIONS	MISSOURI	501(C)(3)	11B	SMHS
SISTERS OF MERCY MINISTRIES - 72-1069468 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	FAMILY COUNSELING SERVICE AND SOCIAL JUSTICE ADVOCACY PROGRAM	MISSOURI	501(C)(3)	7	SMHS
LAREDO MEDICAL GROUP - 74-2764726 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	9	MERCY HEALTH SYSTEM OF TEXAS INC.
MERCY HOSPITAL OF LAREDO - 74-1189682 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	3	MERCY HEALTH SYSTEM OF TEXAS INC.
MERCY HEALTH SYSTEM OF TEXAS, INC. - 74-2764727, 14528 S. OUTER FORTY, SUITE 100, CHESTERFIELD, MO 63017	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	11B	SMHS
CASA DE MISERICORDIA - 74-2912461 1602 MCCELLAND STREET LAREDO, TX 78044	WOMEN'S DOMESTIC VIOLENCE SHELTER	TEXAS	501(C)(3)	7	MERCY MINISTRIES OF LAREDO
MERCY MINISTRIES OF LAREDO - 20-0198462 2500 ZACATECAS LAREDO, TX 78043	PRIMARY HEALTHCARE PROGRAM, OUTREACH EDUCATION PROGRAM AND FOOD PANTRY	TEXAS	501(C)(3)	7	SMHS

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
ST. JOHN'S HEALTH SYSTEM, INC. - 43-1856028 1235 E. CHEROKEE STREET SPRINGFIELD, MO 65804	HOLDING COMPANY	MISSOURI	501(C)(3)	11B	SMHS
OZARKS REGIONS HEALTH SYSTEM, INC. - 71-0759299, 214 CARTER STREET, BERRYVILLE, AR 72616	HOSPITAL	ARKANSAS	501(C)(3)	11A	ST. JOHN'S HEALTH SYSTEM, INC.
CARROLL HEALTH FOUNDATION - 71-0759301 214 CARTER STREET BERRYVILLE, AR 72616	FOUNDATION	ARKANSAS	501(C)(3)	11A	OZARK REGIONS HEALTH SYSTEMS
ST. JOHN'S HOME CARE OF BERRYVILLE, INC. - 87-0781247, 214 CARTER STREET, BERRYVILLE, AR 72616	HOME HEALTH AND HOSPICE OPERATIONS	ARKANSAS	501(C)(3)	11C	ST. JOHN'S HEALTH SYSTEM, INC.
THE SISTER OF M. CORNELIA BLASKO FOUNDATION, INC. - 43-1873914, 100 W. HIGHWAY 60, MOUNTAIN VIEW, MO 65548	FOUNDATION	MISSOURI	501(C)(3)	11A	ST. FRANCIS HOSPITAL
BREECH REGIONAL MEDICAL CENTER - 43-1767432 100 HOSPITAL DRIVE LEBANON, MO 65536	HOSPITAL	MISSOURI	501(C)(3)	3	ST. JOHN'S HEALTH SYSTEM, INC.
ST. FRANCIS HOSPITAL, MOUNTAIN VIEW, MISSOURI - 44-0607149, 100 W. HIGHWAY 60, MOUNTAIN VIEW, MO 65548	HOSPITAL	MAINE	501(C)(3)	3	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S AURORA, INC. - 43-1936696 500 PORTER AVENUE AURORA, MO 65605	OPERATING COMPANY FOR LEASED HOSPITAL	MISSOURI	501(C)(3)	3	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S CASSVILLE, INC. - 43-1936699 94 MAIN STREET CASSVILLE, MO 65625	OPERATING COMPANY FOR LEASED HOSPITAL	MISSOURI	501(C)(3)	3	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S CHILDREN'S HOSPITAL, INC. 1235 E. CHEROKEE STREET SPRINGFIELD, MO 65804	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	3	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S CLINIC, INC. - 43-1560263 1965 FREEMONT STREET, SUITE 2950 SPRINGFIELD, MO 65804	PHYSICIAN GROUP	MISSOURI	501(C)(3)	9	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S FOUNDATION FOR COMMUNITY HEALTH, INC. - 32-0195818, 1235 E. CHEROKEE STREET, SPRINGFIELD, MO 65804	FOUNDATION	MISSOURI	501(C)(3)	11B	ST. JOHN'S HEALTH SYSTEM, INC.

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
ST. JOHN'S MEDICAL RESEARCH INSTITUTE, INC. - 87-0796305, 1235 E. CHEROKEE STREET, SPRINGFIELD, MO 65804	RESEARCH - CLINICAL TRIALS	MISSOURI	501(C)(3)	4	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S REGIONAL HEALTH CENTER - 44-0552485, 1235 E. CHEROKEE STREET, SPRINGFIELD, MO 65804	HOSPITAL	MISSOURI	501(C)(3)	3	ST. JOHN'S HEALTH SYSTEM, INC.
ST. JOHN'S MERCY HEALTH CARE - 43-1718408 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	HEALTH SYSTEM	MISSOURI	501(C)(3)	3	SMHS
MERCY MEDICAL GROUP - 43-1771217 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	PHYSICIAN GROUP	MISSOURI	501(C)(3)	9	ST. JOHN'S MERCY HEALTH CARE
ST. JOHN'S MERCY FOUNDATION - 56-2410022 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	FOUNDATION	MISSOURI	501(C)(3)	11B	ST. JOHN'S MERCY HEALTH CARE
ST. JOHN'S MERCY HEALTH SYSTEM - 43-0653493 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	HOSPITAL	MISSOURI	501(C)(3)	3	ST. JOHN'S MERCY HEALTH CAREMERCY HEALTH SYSTEM OF KANSAS, INC.
ST. JOHN'S MERCY HOSPITAL - 43-1066883 901 E FIFTH STREET WASHINGTON, MO 63090	HOSPITAL	MISSOURI	501(C)(3)	3	ST. JOHN'S MERCY HEALTH CARE
ST. JOHN'S MERCY HOSPITAL FOUNDATION - 56-2410020, 901 E FIFTH STREET, WASHINGTON, MO 63090	FOUNDATION	MISSOURI	501(C)(3)	11B	ST. JOHN'S MERCY HEALTH CARE
UNITY AMBULATORY CARE - 43-1861745 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	11C	ST. JOHN'S MERCY HEALTH CARE
ST. JOHN'S MERCY SUPPORT SERVICES - 43-1677952, 615 S. NEW BALLAS ROAD, ST. LOUIS, MO 63141	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	11C	ST. JOHN'S MERCY HEALTH CARE
MERCY EMERGENCY MEDICAL SERVICES, INC. - 81-0627035, 4300 W. MEMORIAL ROAD, OKLAHOMA CITY, OK 73120	INACTIVE - NO OPERATIONS	OKLAHOMA	501(C)(3)	9	MERCY HEALTH CENTER, INC.
MERCY HEALTH CENTER FOUNDATION, INC. - 73-1593024, 4300 W. MEMORIAL ROAD, OKLAHOMA CITY, OK 73120	FOUNDATION	OKLAHOMA	501(C)(3)	11A	MERCY HEALTH CENTER, INC.

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
MERCY HEALTH SERVICES, INC. - 14-1838609 4300 W. MEMORIAL ROAD OKLAHOMA CITY, OK 73120	URGENT CARE CLINICS	OKLAHOMA	501(C)(3)	9	MERCY HEALTH CENTER, INC.
MERCY HEALTH CENTER, INC. - 73-0579285 4300 W. MEMORIAL ROAD OKLAHOMA CITY, OK 73120	HOSPITAL	OKLAHOMA	501(C)(3)	3	MERCY HEALTH SYSTEM, INC.
MERCY MEMORIAL HEALTH CENTER, INC. - 73-1500629, 1011 14TH AVENUE NW, ARDMORE, OK 73401	HOSPITAL	OKLAHOMA	501(C)(3)	3	MERCY HEALTH SYSTEM, INC.
MERCY PHYSICIAN OF OKLAHOMA, INC. - 27-0473057, 4300 W. MEMORIAL ROAD, OKLAHOMA CITY, OK 73120	PHYSICIAN CLINIC	OKLAHOMA	501(C)(3)	9	MERCY HEALTH SYSTEM, INC.
ST. MARY'S HOSPITAL OF ENID, OKLAHOMA, INC. - 73-0614655, 14528 S. OUTER FORTY, SUITE 100, CHESTERFIELD, MO 63017	INACTIVE - NO OPERATIONS	MISSOURI	501(C)(3)	3	MERCY HEALTH SYSTEM, INC.
HEALDTON MERCY HOSPITAL CORPORATION - 26-3173902, 918 SOUTH STREET, HEALDTON, OK 73438	OPERATING COMPANY FOR LEASED HOSPITAL	OKLAHOMA	501(C)(3)	3	MERCY MEMORIAL HEALTH CENTER, INC.
MERCY MEMORIAL HEALTH CENTER FOUNDATION - 71-0962525, 1011 14TH AVENUE NW, ARDMORE, OK 73401	FOUNDATION	OKLAHOMA	501(C)(3)	11A	MERCY MEMORIAL HEALTH CENTER, INC.
MERCY HEALTH SYSTEM, INC. - 73-1453048 4300 W. MEMORIAL ROAD OKLAHOMA CITY, OK 73120	HOLDING COMPANY	OKLAHOMA	501(C)(3)	11B	SMHS
LEBANON WOMEN'S HEALTH CENTER, INC. - 02-0569599, 100 HOSPITAL DRIVE, LEBANON, MO 65536	WOMEN'S OBSTETRICAL SERVICES	MISSOURI	501(C)(3)	9	BREECH REGIONAL MEDICAL CENTER

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) Disproportionate allocations? No	(I) Code V-UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) General or managing partner? No
HOT SPRINGS MRI PARTNERSHIP - 71-0675196, 100 RIDGEWAY PLACE, HOT SPRINGS, AR 71913	MRI CENTER	AR	N/A		0.	0.		X	N/A		X
FORT SMITH EMERGENCY MEDICAL SERVICES - 71-0416615, 1701 SOUTH GREENWOOD, FORT SMITH, AR 72901	EMERGENCY MEDICAL SERVICES	AR	ST. EDWARD MERCY MEDICAL CENTER		0.	0.		X	N/A		X
SOUTHERN OKLHOMA PHYSICIAN HOSPITAL ORGANIZATION LLC - 73-1462104, 1011 FOURTEETH AVENUE NW, ARDMORE, OK 73401	PHYSICIAN GROUP	OK			0.	0.		X	N/A		X
ST. JOSEPH'S PET CENTER, LLC - 47-0886845, 300 WERNER STREET , HOT SPRINGS, AR 72901	PET/MRI CENTER	AR			0.	0.		X	N/A		X

Part IV Continuation of 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
MERCY MEDICAL SERVICES, INC. - 71-0641246 14528 S. OUTER FORTY, SUITE 100 CHESTERFIELD, MO 63017	MERCY DISEASE MANAGEMENT/CARE MANAGEMENT PROGRAMS &	MO	N/A	C CORP	0.	0.	.00%
INVENO HEALTH, INC. - 26-4509571 1235 E. CHEROKEE STREET SPRINGFIELD, MO 65804	TECHNOLOGY TRANSFER COMPANY	MO	N/A	C CORP	0.	0.	.00%
UNITY SUPPORT SERVICES, INC. - 43-1797042 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	PRACTICE MANAGEMENT SERVICES FOR EMPLOYED UNITY PHYSICIANS,	MO	N/A	C CORP	0.	0.	.00%
UH L CORP, INC. - 74-2499535 645 MARYVILLE CENTRE DRIVE, SUITE 100 ST. LOUIS, MO 63141	HOLDING COMPANY	MO	N/A	C CORP	0.	0.	.00%
MERCY HEALTH NETWORK OF THE SOUTHERN REGION, INC. - 73-1580607, 1011 14TH AVENUE NW, ARDMORE, OK 73401	EMPLOYED PHYSICIANS, PHYSICIAN ASSISTANTS, AND NURSE	OK	N/A	C CORP	0.	0.	.00%
MERCY HEALTH CONDOMINIUM, INC. - 68-0640970 4300 W. MEMORIAL RD OKLAHOMA CITY, OK 73120	ADMINISTRATOR OF CERTAIN REAL PROPERTY AND IMPROVEMENTS	OK	N/A	C CORP	0.	0.	.00%
MERCY MANAGED CARE CORPORATION - 73-1441665 4300 W. MEMORIAL RD OKLAHOMA CITY, OK 73120	HOLDING COMPANY	OK	N/A	C CORP	0.	0.	.00%
MERCY HEALTH NETWORK, INC. - 73-1381689 4300 W. MEMORIAL RD OKLAHOMA CITY, OK 73120	EMPLOYED PHYSICIANS, PHYSICIAN ASSISTANTS, AND NURSE	OK	N/A	C CORP	0.	0.	.00%

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization 990
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2008

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
ST EDWARD MERCY CLINIC INC	FORM 990 PAGE 10	26-1318597

Part I **Election To Expense Certain Property Under Section 179** *Note: If you have any listed property, complete Part V before you complete Part I*

1	Maximum amount See the instructions for a higher limit for certain businesses	1	250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	800,000.
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property Instead, use Part V*

Part II **Special Depreciation Allowance and Other Depreciation (Do not include listed property)**

14	Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not include listed property) (See instructions)**

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property		23,451.	5.0	SL	SL	4,634.
c	7-year property						
d	10-year property		47,668.	10.0	SL	SL	4,687.
e	15-year property						
f	20-year property		49,749.	20.0	SL	SL	2,280.
g	25-year property			25 yrs		S/L	
h	Residential rental property	/		27 5 yrs.	MM	S/L	
		/		27 5 yrs	MM	S/L	
i	Nonresidential real property	/		39 yrs	MM	S/L	
		/			MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs		S/L	
c	40-year	/		40 yrs	MM	S/L	

Part IV **Summary** (See instructions)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	22	11,601.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* **only** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles* **)**

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 24b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use						25		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		
Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles*		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year:					
43 Amortization of costs that began before your 2008 tax year				43	
44 **Total.** Add amounts in column (f) See the instructions for where to report				44	

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ..... ▶ [X]

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	Employer identification number
File by the extended due date for filing the return. See instructions.	ST EDWARD MERCY CLINIC INC	26-1318597
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O BEALL BARCLAY & COMPANY PO BOX 10148	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. FORT SMITH, AR 72917	

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

[X] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [ ] Form 990-PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

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 ▶ GRETA WILCHER, CFO 7301 ROGERS AVENUE - FORT SMITH, AR 72903
  Telephone No. ▶ (479)314-6100 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.

4 I request an additional 3-month extension of time until MAY 15, 2010.

5 For calendar year _____, or other tax year beginning JUL 1, 2008, and ending JUN 30, 2009.

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

7 State in detail why you need the extension
ADDITIONAL TIME NEEDED TO GATHER THE NECESSARY INFORMATION IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN

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	$	
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	$	
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	$	N/A

Signature and Verification

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 ▶ [signature] Title ▶ CPA Date ▶ 2-3-10

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05-26-09