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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)	OMB No 1545-0047
	The organization may have to use a copy of this return to satisfy state reporting requirements	2008 Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009				
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 HOSPITAL SISTERS OF ST FRANCIS FOUNDATION INC		D Employer identification number 37-1186514
		Doing Business As		E Telephone number (217) 523-4747
		Number and street (or P O box if mail is not delivered to street address) 4936 LAVERNA ROAD	Room/suite	G Gross receipts \$ 15,083,176
		City or town, state or country, and ZIP + 4 SPRINGFIELD, IL 62707		
F Name and address of Principal Officer julie harmala 4936 LAVERNA ROAD SPRINGFIELD, IL 62707		H(a) Is this a group return for affiliates? ☐ Yes ☒ No		
I Tax-exempt status ☒ 501(c) (3) (Insert no) ☐ 4947(a)(1) or ☐ 527		H(b) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list See instructions)		
J Web site: N/A		H(c) Group Exemption Number 0928		
K Type of organization ☒ Corporation ☐ trust ☐ association ☐ other			L Year of Formation 1984	M State of legal domicile IL

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities Provide financial support, through philanthropy, to the many healing endeavors of the Hospital Sisters of St Francis		
	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	4
	5	Total number of employees (Part V, line 2a)	5	0
	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
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	10,452,666	12,206,489
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,786,706	-5,378,060
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	56,104
			12,239,372	6,884,533
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	14,065,139	6,868,594
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	253,390
	b	(Total fundraising expenses, Part IX, column (D), line 25 <u>253,390</u>)		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	2,540,845	2,780,566
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	16,605,984	9,902,550
	19	Revenue less expenses Subtract line 18 from line 12	-4,366,612	-3,018,017
Net Assets or Fund Balances			Beginning of Year	End of Year
	20	Total assets (Part X, line 16)	87,909,201	81,820,483
	21	Total liabilities (Part X, line 26)	2,342,232	2,572,413
	22	Net assets or fund balances Subtract line 21 from line 20	85,566,969	79,248,070

Part II Signature Block

Please Sign Here	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				
	*****		2010-05-10		
	Signature of officer		Date		
	gary leach treasurer Type or print name and title				
Paid Preparer's Use Only	Preparer's signature ▶ KPMG LLP		Date	Check if self-employed ▶ ☐	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ KPMG LLP 191 West Nationwide Blvd Ste 500 Columbus, OH 432152568			EIN ▶	
				Phone no ▶ (614) 249-2300	

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

Part III

Statement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

Seek, invite, welcome and involve all those who wish to share, by their gift of time, talent and purse in the healing mission of the Hospital Sisters of the Third Order of St Francis Provide financial support, through philanthropy, to the many healing endeavors of the Hospital Sisters of St Francis

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 (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 6,868,594 including grants of \$ 6,868,594) (Revenue \$ 0)

TO AID PERSONS WHO ARE UNABLE TO PROVIDE COMPLETELY FOR THEMSELVES IN OBTAINING HEALTH CARE SERVICES, SUPPLEMENT AND ENHANCE PROGRAMS IN HEALTH SERVICES WITH SPECIAL DEFERENCE TO PROGRAMS OF HOSPITALS SPONSORED BY THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS, AMERICAN PROVINCE, PROVIDE FINANCIAL ASSISTANCE IN DEVELOPING, MAINTAINING AND IMPROVING VARIOUS TYPES OF HEALTH SERVICES INCLUDING EDUCATION AND RESEARCH

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 6,868,594 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	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes
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	No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	No
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	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10	Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes
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	Yes
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	No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the U S?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S? If "Yes," complete Schedule F, Part I	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16	No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I 	17	Yes
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	Yes
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	No
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	Yes
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	No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J 	23	Yes
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25	24a	No
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	No
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	No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	No
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	No

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)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
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? <i>If "Yes," complete Schedule L, Part IV</i>		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> 	Yes	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> 		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> 		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> 		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> 	Yes	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> 		No
36 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> 		No
37 Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> 		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a0	1c	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?				
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a0	2b	
b If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>				
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?				
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		3b	3a	No
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	4a	No
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? . . .				
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	5a	No
c If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		5c	5b	No
6a Did the organization solicit any contributions that were not tax deductible?		6a	5c	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	6a	Yes
7 Organizations that may receive deductible contributions under section 170(c).		7a	6b	Yes
a Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?				
b If "Yes," did the organization notify the donor of the value of the goods or services provided?				
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	7a	No
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?				
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .		7f	7e	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .		7g		
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h		
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	8	No
9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?				
b Did the organization make a distribution to a donor, donor advisor, or related person?		9b	9a	No
10 Section 501(c)(7) organizations. Enter		10a	9b	No
a Initiation fees and capital contributions included on Part VIII, line 12				
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities				
11 Section 501(c)(12) organizations. Enter		11a	10a	
a Gross income from members or shareholders				
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)				
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? . . .		12a	11b	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year		12b		

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

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	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?		
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	Yes	
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		No

Section B. Policies

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

Section C. Disclosure

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

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

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.
 GARY LEACH
 4936 LAVERNA ROAD
 SPRINGFIELD, IL 62707
 (217) 523-4747

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

☒ Check this box if the organization did not compensate any officer, director, trustee or key employee

[illegible]

(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				
1b Total								0	1,909,944	320,927	

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

	Yes	No
3		No
4	Yes	
5		No

Section B. Independent Contractors

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

Statement of Revenue

				(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	150,948			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	12,055,541			
	g	Noncash contributions included in lines 1a-1f \$ 56,644					
	h	Total (Add lines 1a-1f)		12,206,489			
Program Service Revenue	2a		Business Code				
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		\$ 0			
	Other Revenue	3	Investment income (including dividends, interest other similar amounts)		2,740,453		
4		Income from investment of tax-exempt bond proceeds . . .		0			
5		Royalties		0			
6a		Gross Rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less cost or other basis and sales expenses	8,118,513				
c		Gain or (loss)	-8,118,513				
d		Net gain or (loss)		-8,118,513			-8,118,513
8a		Gross income from fundraising events (not including \$ 136,234 of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000	a	150,948			
b		Less direct expenses	b	80,130			
c		Net income or (loss) from fundraising events . . .		56,104			56,104
9a		Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000	a				
b		Less direct expenses	b				
c	Net income or (loss) from gaming activities . . .		0				
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 . . .		0				
	Miscellaneous Revenue		Business Code				
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		\$ 0				
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			6,884,533		0	-5,321,956

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	6,868,594	6,868,594		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	0			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	0			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	0			
10	Payroll taxes	0			
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	253,390			253,390
f	Investment management fees	0			
g	Other	0			
12	Advertising and promotion	0			
13	Office expenses	0			
14	Information technology	0			
15	Royalties	0			
16	Occupancy	0			
17	Travel	0			
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	0			
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	0			
23	Insurance	0			
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	ADMINISTRATION FEES	2,780,566		2,780,566	
b					
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	9,902,550	6,868,594	2,780,566	253,390
26	Joint Costs. Check ☐ 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)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		1,194,460	2	1,069,766
	3	Pledges and grants receivable, net		4,864,415	3	6,989,196
	4	Accounts receivable, net			4	
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost basis	10a	334,055		
	b	Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b	0	254,690	10c 334,055
	11	Investments—publicly traded securities		81,292,285	11	73,124,081
	12	Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>			12	
	13	Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>		303,351	15	303,385
	16	Total assets. Add lines 1 through 15 (must equal line 34)		87,909,201	16	81,820,483
Liabilities	17	Accounts payable and accrued expenses		2,336,332	17	2,566,513
	18	Grants payable		0	18	0
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow account liability <i>Complete Part IV of Schedule D</i>			21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable			24	
	25	Other liabilities <i>Complete Part X of Schedule D</i>		5,900	25	5,900
	26	Total liabilities. Add lines 17 through 25		2,342,232	26	2,572,413
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		44,237,701	27	36,074,751
	28	Temporarily restricted net assets		23,958,034	28	22,545,076
	29	Permanently restricted net assets		17,371,234	29	20,628,243
	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		85,566,969	33	79,248,070
	34	Total liabilities and net assets/fund balances		87,909,201	34	81,820,483

Part XI

Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990	☐ cash ☒ accrual ☐ other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b		No
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits?	3b		

SCHEDULE A
(Form 990 or 990EZ)

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 HOSPITAL SISTERS OF ST FRANCIS FOUNDATION INC	Employer identification number 37-1186514
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Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only one organization)

1	☐	A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i).
2	☐	A school described in Section 170(b)(1)(A)(ii). (Attach Schedule E)
3	☐	A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii). (Attach Schedule H)
4	☐	A medical research organization operated in conjunction with a hospital described in Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
5	☐	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv). (Complete Part II)
6	☐	A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v).
7	☐	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in Section 170(b)(1)(A)(vi) (Complete Part II)
8	☐	A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)
9	☐	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III)
10	☐	An organization organized and operated exclusively to test for public safety See Section 509(a)(4). (See instructions)
11	☒	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See Section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h a ☒ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other
e	☒	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	☐	If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
g	☐	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? (ii) a family member of a person described in (i) above? (iii) a 35% controlled entity of a person described in (i) or (ii) above?
h	☐	Provide the following information about the 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	
See Additional Data Table									
Total									6,868,594

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total Support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						☐

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 for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% 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% Test - 2007. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
17a 10% Facts and Circumstances Test - 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 the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		☐

Part IIISupport Schedule for Organizations Described in IRC 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
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total Add lines 1-5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts 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						
cTotal of lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13Total Support (Add lines 9, 10c, 11 and 12)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

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 for 2007 Schedule A, Part IV -A, line 27g	16	

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% 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% 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		

Part IV

Supplemental Information. Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization HOSPITAL SISTERS OF ST FRANCIS FOUNDATION INC	Employer identification number 37-1186514
--	--

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)☐ Preservation of an historically importantly land area☐ Protection of natural habitat☐ Preservation of certified historic structure☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, 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 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 the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	24,647,995				
b Contributions	3,257,009				
c Investment earnings or losses	-1,464,709				
d Grants or scholarships	1,212,682				
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	25,227,613				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment 18 232 %

b

Permanent endowment 81 769 %

c

Term endowment

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

	Yes	No
3a(i)		No
3a(ii)		No
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				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				

(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. (Column (b) should equal Form 990, Part X, col (B) line 12)		

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

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
TRUST OBLIGATIONS	5,900
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	5,900

Schedule D (Form 990) 2008

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, 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

Identifier	Return Reference	Explanation
Adoption of FIN 48		On July 1, 2007, HSHS adopted FASB Interpretation No 48, Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No 109 (FIN 48) The Interpretation addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements Under FIN 48, HSHS must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement FIN 48 also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures At the date of adoption, and as of June 30, 2009, HSHS does not have a liability for unrecognized tax benefits The adoption of FTN 48 had no impact on the consolidated financial statements of HSHS

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Employer identification number

37-1186514

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☒

Mail solicitations

e

☒

Solicitation of non-government grants

b

☒

Email solicitations

f

☐

Solicitation of government grants

c

☐

Phone solicitations

g

☒

Special fundraising events

d

☒

In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities?

☐ Yes ☒ No

b

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

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
curtis meyer consultant feasibility			No	45,187		
goettler associates feasibility stu			No	206,100		
capital quest feasibility study			No	2,103		
Total				▶		

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

IL,WI

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>Toast of Town</u> (event type)	<u>Big Raffle</u> (event type)	<u>4</u> (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	110,322	53,950	122,910
	2	Less Charitable contributions	89,522	0	61,426
	3	Gross revenue (line 1 minus line 2)	20,800	53,950	61,484
Direct Expenses	4	Cash Prizes	0	14,750	0
	5	Non-cash Prizes	0	0	1,008
	6	Rent/Facility costs	0	0	15,550
	7	Other direct expenses	8,942	6,000	33,880
	8	Direct expense summary Add lines 4 through 7 in column (d)			80,130
	9	Net income summary Combine lines 3 and 8 in column (d).			56,104

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
Direct Expenses	6	Volunteer labor	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No	☐ Yes _____ % ☐ No
	7	Direct expense summary Add lines 2 through 5 in column (d)			
	8	Net gaming income summary Combine lines 1 and 7 in column (d)			

		Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____		
a	Is the organization licensed to operate gaming activities in each of these states?	9a	
b	If "No," Explain _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____		
11	Does the organization operate gaming activities with nonmembers?	11	
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

	Yes	No
13 Indicate the percentage of gaming activity operated in		
a The organization's facility 13a		
b An outside facility 13b		
14 Provide the name and address of the person who prepares the organization's gaming/special events books and records		
Name ►		
Address ►		
15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? 15a		
b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____		
c If "Yes," enter name and address		
Name ►		
Address ►		
16 Gaming manager information		
Name ►		
Gaming manager compensation ► \$ _____		
Description of services provided ►		
☐ Director/officer ☐ Employee ☐ Independent contractor		
17 Mandatory distributions		
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? 17a		
b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____		

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Grants and Other Assistance to Organizations,
Governments and Individuals in the U.S.

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

OMB No 1545-0047

2008

Open to Public
Inspection

Employer identification number
37-1186514

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 if additional space is needed.

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
See Additional Data Table							

- 2

Enter total number of section 501(c)(3) and government organizations

13
- 3

Enter total number of other organizations

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation

Software ID:

Software Version:

EIN: 37-1186514

Name: HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ST ELIZABETH'S HOSPITAL211 SOUTH THIRD STREET BELLEVILLE, IL 622201998	37-0663567	501(c)(3)	162,785				HOSPITAL ACTIVITIES
ST JOSEPH'S HOSPITAL 9515 HOLY CROSS LANE BREESE,IL 62230	37-1208459	501(c)(3)	29,952				HOSPITAL ACTIVITIES
ST MARY'S HOSPITAL1800 E LAKE SHORE DRIVE DECATUR,IL 625213883	37-0661244	501(c)(3)	155,889				HOSPITAL ACTIVITIES
ST ANTHONY'S HOSPITAL 503 N MAPLE STREET EFFINGHAM,IL 62401	37-0661233	501(c)(3)	201,438				HOSPITAL ACTIVITIES
ST JOSEPH'S HOSPITAL 1515 MAIN STREET HIGHLAND,IL 62249	37-0663568	501(c)(3)	204,364				HOSPITAL ACTIVITIES
ST FRANCIS HOSPITAL 1215 FRANCISCAN DRIVE LITCHFIELD,IL 620560999	37-0661236	501(c)(3)	40,743				HOSPITAL ACTIVITIES
ST JOHN'S HOSPITAL500 EAST CARPENTER STREET SPRINGFIELD,IL 62769	37-0661238	501(c)(3)	1,678,275				HOSPITAL ACTIVITIES
ST MARY'S HOSPITAL111 SPRING STREET STREATOR,IL 61364	37-2169181	501(c)(3)	284,634				HOSPITAL ACTIVITIES
ST JOSEPH'S HOSPITAL 2661 COUNTY HIGHWAY 1 CHIPPEWA FALLS, WI 547291498	39-0810545	501(c)(3)	216,993				HOSPITAL ACTIVITIES
SACRED HEART HOSPITAL 900 WEST CLAIREMONT EAU CLAIRE, WI 54701	39-0807060	501(c)(3)	825,700				HOSPITAL ACTIVITIES

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ST MARY'S HOSPITAL 1726 SHAWANO AVENUE GREEN BAY, WI 543033282	39-0818682	501(c)(3)	611,563				HOSPITAL ACTIVITIES
ST VINCENT'S HOSPITAL835 S VAN BUREN GREEN BAY, WI 543073508	39-0817529	501(c)(3)	1,600,240				HOSPITAL ACTIVITIES
ST NICHOLAS HOSPITAL3100 SUPERIOR AVENUE SHEBOYGAN, WI 53081	39-0808480	501(c)(3)	855,718				HOSPITAL ACTIVITIES

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
HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Employer identification number

37-1186514

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 ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
1b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	☒ Compensation committee ☒ Independent compensation consultant ☒ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a		
4a	Receive a severance payment or change of control payment?		No
4b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
4c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	501(c)(3) and 501(c)(4) organizations only 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		
5a	The organization?		No
5b	Any related organization?		No
	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		
6a	The organization?		No
6b	Any related organization?		No
	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		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III		No

Part II

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

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

Note. The sum of columns (B)(i)-(iii) 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				
JULIE HARMALA	(i)	0	0	0	0	0	0	0
	(ii)	142,451	7,500	120,191	103,405	12,347	385,894	0
GARY D LEACH	(i)	0	0	0	0	0	0	0
	(ii)	388,305	24,000	333,008	154,126	12,418	911,857	0
STEPHANIE MCCUTCHEON	(i)	0	0	0	0	0	0	0
	(ii)	739,766	136,000	18,723	27,381	20,431	942,301	0
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 29 or 30.
Attach to Form 990

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization
HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Employer identification number

37-1186514

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	20	56,644	selling price
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other (describe _____)				
26 Other (describe _____)				
27 Other (describe _____)				
28 Other (describe _____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

No

b If "Yes", describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32a

No

b If "Yes", describe in Part II

33 If the organization did not report revenues in Column (c) for a type of property for which Column (a) is checked, describe in Part II

[illegible]

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
HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Employer identification number
37-1186514

Identifier	Return Reference	Explanation
AUDITED FINANCIAL STATEMENTS	PART IV, QUESTION 12 AND PART XI, QUESTION 2B	THE ORGANIZATION'S FINANCIAL STATEMENTS WERE AUDITED ON A CONSOLIDATED BASIS AND NO SEPARATE COMPANY AUDIT REPORT IS AVAILABLE

Identifier	Return Reference	Explanation
FORM 8899	FORM 990, PART V, LINE 7G	THERE WERE NO CONTRIBUTIONS OF QUALIFIED INTELLECTUAL PROPERTY, THEREFORE, FORM 8899 IS NOT REQUIRED

Identifier	Return Reference	Explanation
FORM 1098	FORM 990, PART V, LINE 7H	THERE WERE NO CONTRIBUTIONS OF CARS, BOATS, AIRPLANES, AND OTHER VEHICLES, THEREFORE, FORM 1098-C IS NOT REQUIRED

Identifier	Return Reference	Explanation
RIGHTS OF MEMBERS TO ELECT GOVERNING BODY	FORM 990, PART VI, LINES 6 & 7A	THE SENIOR GOVERNING BODY OF HOSPITAL SISTERS OF ST FRANCIS FOUNDATION, INC (THE "CORPORATION") IS THE MEMBER OF THE CORPORATION, WHICH IS HOSPITAL SISTERS HEALTH SERVICES, INC ("HSSI"), AN ILLINOIS NOT FOR PROFIT CORPORATION EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE PURSUANT TO SECTION 2 3 OF THE CORPORATION'S BYLAWS, HSSI HAS THE RIGHT TO APPOINT AND REMOVE THE CORPORATION'S BOARD OF DIRECTORS, CHAIRPERSON OF THE BOARD AND PRESIDENT

Identifier	Return Reference	Explanation
MEMBERS RESERVED POWERS	FORM 990, PART VI, LINE 7B	Responsibility for the policy and operations of Hospital Sisters of St Francis Foundation, Inc (the "Corporation") is vested in its Board of Directors, except with respect to specific powers reserved in the Corporation's Bylaws to the Corporation's Member, Hospital Sisters Health Services, Inc ("HSSI"), an Illinois not for profit corporation exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code. The member of HSSI is Hospital Sisters Health System ("HSHS"), an Illinois not for profit corporation exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code. The members of HSHS are the individual sisters who from time to time are the duly elected Provincial Superior and Provincial Councilors, respectively of the American Province of the Hospital Sisters of St Francis ("American Province"). The American Province is the United States organization of the Congregation of the Hospital Sisters of the Third Order Regular of St Francis, a religious institute of the Roman Catholic Church. The governance and operations of the Corporation are subject to HSSI's right to exercise these reserved powers with respect to the Corporation and organizations of which the Corporation is either, directly or indirectly, a controlling member or a controlling shareholder ("Affiliates"). HSSI's right to exercise certain of these reserved powers is, in turn, subject to the approval of HSHS and HSHS' members. The reserved powers include all rights granted to HSSI by law and the right to (a) Adopt, approve amendments to, or amend any statement of philosophy, mission, mission integration or values or any name, logo, or mark of the Corporation or of any Affiliate, (b) Adopt, approve amendments to, or amend the Articles of Incorporation of the Corporation or of any Affiliate, (c) Adopt, approve amendments to, or amend the Bylaws of the Corporation or of any Affiliate, (d) Appoint and remove the Board of Directors, any one or more of the Directors of the Corporation or of any Affiliate, and the Chairperson and President of the Corporation or of any Affiliate, (e) Approve the recommendation of the Board of Directors to appoint or remove the Board of Directors, any one or more Directors of the Corporation or of any Affiliate, or the Chairperson and President of the Corporation or of any Affiliate (f) With respect to the Corporation or any Affiliate, approve the purchase, sale, alienation, exchange, lease or encumbrance of any real property of the Corporation or of any Affiliate, which property has a value in excess of limits set from time to time by HSSI, (g) Approve the operating and capital budgets of the Corporation or of any Affiliate, and any deviations by the Corporation or of any Affiliate from such budgets in an amount or percentage specified by HSSI from time to time, (h) Approve the strategic plan and goals of the Corporation or of any Affiliate, (i) Approve the sale of substantially all of the assets of the Corporation or of any Affiliate, (j) Approve the merger or dissolution of the Corporation or of any Affiliate, (k) Adopt or amend the plan for ministry education and governance for the Corporation and its Affiliates, (l) Approve the Corporation's Mission Accountability Reports and those of any Affiliate, (m) Approve the financial policies and procedures of the Corporation or of any Affiliate and approve any deviations from such policies and procedures by the Corporation or any Affiliate, and (n) Adopt policies to implement the Reserved Powers of HSSI.

Identifier	Return Reference	Explanation
GOVERNMENT AND MANAGEMENT	FORM 990, PART VI, LINE 10	THE ORGANIZATION EMPLOYS KPMG TO ASSIST IN THE OVERALL REVIEW AND ELECTRONIC SUBMISSION OF ITS FORM 990. KPMG PROVIDES GUIDANCE IN IDENTIFYING CRITICAL ERRORS IN THE RETURN SUBMISSION AND FEEDBACK ON QUANTITATIVE AND QUALITATIVE RESPONSES. ADDITIONALLY, THE organization's CFO PERFORMS A THOROUGH REVIEW OF THE RETURN AND REVIEWS IT WITH THE organization CEO AND/OR SENIOR LEADERS BEFORE PRESENTING IT IN ITS ENTIRETY TO THE BOARD FOR QUESTIONING AND REVIEW PRIOR TO THE RETURN'S SIGNING AND SUBMISSION TO THE IRS.

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	A revised Corporate Compliance Program and Conflict of Interest Policy has been used since January, A REVISED CORPORATE COMPLIANCE PROGRAM AND CONFLICT OF INTEREST POLICY HAS BEEN USED SINCE JANUARY, 2009 TO ESTABLISH THE PRACTICE OF MANAGING CONFLICTS OF INTEREST USING A SYSTEM-WIDE PROTOCOL FOR DISCLOSURE STATEMENTS. IN ACCORDANCE WITH OUR CONFLICT OF INTEREST POLICY, ALL COVERED PERSONS HAVE A DUTY TO COMPLY WITH THE CONFLICT OF INTEREST POLICY FOR ANY CONTRACT, TRANSACTION, RELATIONSHIP OR ACTIVITY CONTEMPLATED, ENTERED INTO OR CONDUCTED AT HSHS. THE POLICY DEFINES COVERED PERSONS AS BOARD MEMBERS, BOARD COMMITTEE MEMBERS, OFFICERS, BOARD DESIGNEES, SENIOR MANAGEMENT, MEMBERS OF ANY COMMITTEE THAT OVERSEES THE APPROVAL OF PHARMACEUTICALS AND MEDICAL DEVICES, ANY OTHER INDIVIDUAL WHO HOLDS A POSITION OF TRUST. ON AN ANNUAL BASIS HSHS DISCLOSES A COPY OF THE CONFLICT OF INTEREST POLICY (AND ALL CORRESPONDING PROCEDURES, GUIDELINES, FORMS AND TOOLS), TO ALL COVERED PERSONS AND ADVISES ALL COVERED PERSONS IN WRITING OF ANY SUBSTANTIVE CHANGES TO THIS POLICY AND SUCH RELATED MATERIALS. THE COVERED PERSONS ARE REQUIRED TO REVIEW AND COMPLETE THE CORRESPONDING CONFLICT OF INTEREST STATEMENT. THE SYSTEM OFFICE VICE PRESIDENT, SYSTEM RESPONSIBILITY, VICE PRESIDENT, RISK & COMPLIANCE OR MEMBERS OF THE AUDIT AND INTEGRITY COMMITTEE (COMMITTEE) ARE AVAILABLE TO ANSWER ANY QUESTIONS A COVERED PERSON MAY HAVE. IN ADDITION, IF, AT ANY TIME AFTER SUBMITTING AN ANNUAL CONFLICT OF INTEREST STATEMENT, A COVERED PERSON BECOMES AWARE OF AN INTEREST THAT HE OR SHE WOULD HAVE HAD TO DISCLOSE AT THE ANNUAL INTERVAL, THE COVERED PERSON SHALL PROMPTLY DISCLOSE THE INTEREST TO THE COMMITTEE USING THE HSHS CONFLICT OF INTEREST DISCLOSURE STATEMENT. COMPLETED CONFLICT OF INTEREST STATEMENTS ARE SUBMITTED TO THE COMMITTEE OF HSHS, WHICH IS RESPONSIBLE FOR IDENTIFYING, ASSESSING, AND MANAGING CONFLICTS OF INTEREST THAT ARISE IN THE COURSE OF CONDUCTING THE AFFAIRS OF HSHS. IF THE COMMITTEE DETERMINES THAT A CONFLICT OF INTEREST EXISTS, HSHS SHALL NOT ENGAGE IN OR ENTER INTO A PROPOSED CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY UNLESS THE COMMITTEE OR, WHERE NECESSARY, THE BOARD OF DIRECTORS (ACTING THROUGH ITS DISINTERESTED MEMBERS), HAS INVESTIGATED ALTERNATIVES TO THE PROPOSED CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY AND, IN THE ABSENCE OF ALTERNATIVES THAT ARE IN THE BEST INTERESTS OF HSHS, HAS DETERMINED: 1. THAT, REGARDLESS OF WHETHER THE COVERED PERSON PARTICIPATES IN THE IMPLEMENTATION OF THE PROPOSED CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT, OR ACTIVITY, 2. THE CONTRACT, TRANSACTION, ARRANGEMENT OR ACTIVITY IS IN THE BEST INTERESTS OF HSHS, 3. THE CONTRACT, TRANSACTION, ARRANGEMENT OR ACTIVITY IS FAIR AND REASONABLE FROM THE PERSPECTIVE OF HSHS, AND 4. HSHS CANNOT OBTAIN A MORE ADVANTAGEOUS CONTRACT, TRANSACTION, ARRANGEMENT OR ACTIVITY WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES. IN DETERMINING WHETHER A CONTRACT, TRANSACTION OR ARRANGEMENT IS FAIR AND REASONABLE TO HSHS, THE COMMITTEE SHALL CONSIDER, WHERE APPLICABLE: 1. APPRAISALS OR OTHER INDEPENDENT VALUATIONS OF THE FAIR MARKET VALUE OF THE CONTRACT, TRANSACTION OR ARRANGEMENT, 2. INFORMATION REGARDING COMPARABLE CONTRACTS, TRANSACTIONS OR ARRANGEMENTS BETWEEN UNRELATED PARTIES, 3. OFFERS FROM COMPARABLE COMPETING ENTITIES, AND/OR 4. STUDIES OF COMPARABLE COMPENSATION ARRANGEMENTS. IN ANY CASE IN WHICH THE COMMITTEE FINDS, AFTER TAKING THE STEPS DESCRIBED ABOVE, THAT HSHS SHOULD PARTICIPATE IN A PROPOSED TRANSACTION OR ARRANGEMENT DESPITE THE EXISTENCE OF A CONFLICT OF INTEREST, THE COMMITTEE SHALL DEVELOP, IMPLEMENT, MONITOR, AND ENFORCE COMPLIANCE WITH: A. CONFLICT MANAGEMENT PLAN FOR MANAGING THE CONFLICT OF INTEREST AS IT CONSIDERS NECESSARY FOR SUCH FINDINGS TO REMAIN VALID THROUGHOUT THE LIFE OF THE CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY. ALL CONFLICT MANAGEMENT PLANS SHALL: 1. STATE THAT THE COMMITTEE WILL OVERSEE, MONITOR AND ENFORCE COMPLIANCE WITH THE PLAN THROUGHOUT THE COURSE OF THE STUDY AND SPECIFY MEANS FOR DOING SO, INCLUDING, WITHOUT LIMITATION, THAT THE APPROPRIATE INDIVIDUALS MUST PROVIDE THE COMMITTEE WITH WRITTEN REPORTS PERTAINING TO COMPLIANCE WITH THE CONFLICT MANAGEMENT PLAN, THAT THE COMMITTEE SHALL HAVE THE RIGHT TO AUDIT THE STUDY FOR SUCH COMPLIANCE AND THE RIGHT TO IMPOSE SANCTIONS FOR NON-COMPLIANCE, 2. STATE THAT THE PLAN MUST BE SHARED WITH COVERED PERSON WHOSE INTERESTS IT WAS DEVELOPED TO MANAGE, 3. STATE THAT THE PLAN MUST BE SHARED WITH, AND PERIODIC REPORTS ON COMPLIANCE WITH THE PLAN MUST BE PROVIDED TO, THE BOARD, SENIOR MANAGEMENT AND/OR GOVERNMENT AGENCIES, AND 4. PROVIDE FOR SUCH OTHER MANAGEMENT STEPS AND MECHANISMS THE COMMITTEE CONSIDERS NECESSARY AND APPROPRIATE. IN ADDITION TO THE COMMITTEE, THE SYSTEM OFFICE VICE PRESIDENTS OF SYSTEM RESPONSIBILITY AND RISK & COMPLIANCE MAY RETAIN SUCH INDEPENDENT ADVISORS OR EXPERTS AS DEEMED NECESSARY TO ASSIST IN MAKING ITS DETERMINATIONS AND DECISIONS. IF THE COMMITTEE DETERMINES THAT THE CONTEMPLATED TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY CANNOT PROCEED DUE TO A CONFLICT OF INTEREST, THE COMMITTEE SHALL INFORM THE APPLICABLE COVERED PERSON OR DECISION-MAKING BODY OF SUCH DETERMINATION WITHIN ONE WEEK OF THE COMMITTEE MEETING AT WHICH THE CONTEMPLATED TRANSACTION WAS DISCUSSED. THE COMMITTEE SHALL DOCUMENT ITS REJECTION OF THE CONTEMPLATED TRANSACTION IN THE COMMITTEE'S MEETING MINUTES.

Identifier	Return Reference	Explanation
WHISTLEBLOWER POLICY	FORM 990, PART VI, LINE 13	PROVISIONS WITHIN THE CORPORATE COMPLIANCE PROGRAM AND CONFLICT OF INTEREST POLICY PROVIDE PROTECTIONS FOR WHISTLEBLOWER TYPE ACTIVITIES

Identifier	Return Reference	Explanation
RECORD RETENTION AND DESTRUCTION POLICY	FORM 990, PART VI, LINE 14	THE ORGANIZATION IS CURRENTLY FOLLOWING A SEPARATE RECORD RETENTION AND DESTRUCTION POLICY , HOWEVER, A NEW SYSTEM-WIDE RECORD RETENTION AND DESTRUCTION POLICY HAS BEEN DEVELOPED AND AN EARLY 2010 ADOPTION DATE IS EXPECTED

Identifier	Return Reference	Explanation
DETERMINATION OF CEO & KEY EMPLOYEE COMPENSATION	FORM 990, PART VI, LINE 15	ST FRANCIS FOUNDATION DEFERS TO THE HSHS COMPENSATION POLICY FOR DETERMINATION OF COMPENSATION FOR OFFICERS AND KEY EMPLOYEES HSHS COMPENSATION POLICY IS AS FOLLOWS THE COMPENSATION COMMITTEE (COMMITTEE) IS COMPRISED OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS THE COMMITTEE DEVELOPS A COMPENSATION PHILOSOPHY FOR THE SYSTEM AND ALL AFFILIATES THE COMMITTEE SELECTS AND HIRES THE INDEPENDENT COMPENSATION CONSULTANT TO DEVELOP COMPARABILITY DATA AND ADVISE THE COMMITTEE DURING ITS DELIBERATIONS REGARDING ALL ELEMENTS OF TOTAL COMPENSATION FOR ALL DISQUALIFIED INDIVIDUALS INTEGRATED HEALTHCARE STRATEGIES (IHS), THE CONSULTANTS UTILIZED BY THE COMMITTEE, USE DATA FROM MULTIPLE TAX-EXEMPT PEER GROUP SOURCES TO DETERMINE SALARY RANGES, INCENTIVE OPPORTUNITY RANGES AND BENEFITS FOR THE DISQUALIFIED INDIVIDUALS IHS THEN ASSISTS THE COMMITTEE IN PREPARING CONTEMPORANEOUS DOCUMENTATION OF ALL ACTIONS EACH COMMITTEE MEETING IS CONDUCTED WITH THE INTENT TO CREATE A REBUTTABLE PRESUMPTION OF REASONABLENESS FOR ALL ELEMENTS OF EXECUTIVE TOTAL COMPENSATION FOR THE DISQUALIFIED INDIVIDUALS THE CHAIRMAN MAKES THIS DECLARATION AND ALSO INQUIRES IF THERE ARE ANY CONFLICTS OF INTEREST BY ANY ATTENDEES ANY CONFLICTS ARE DISCLOSED AND THE COMMITTEE THEN ACTS IN A MANNER TO AVOID ANY CONFLICTED INDIVIDUAL PARTICIPATING IN ANY MANNER WHERE A CONFLICT MIGHT EXIST AT THE END OF THE MEETING, THE COMMITTEE PREPARES CONTEMPORANEOUS MINUTES THAT RECORD ALL ACTIONS TAKEN DURING THE MEETING

Identifier	Return Reference	Explanation
FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC	FORM 990, PART VI, LINE 19	BOARD-APPROVED FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT MADE AVAILABLE TO THE GENERAL PUBLIC AT THIS TIME

Identifier	Return Reference	Explanation
POOLED INVESTMENT	FORM 990, PART X, LINE 11	THE FACILITY'S CASH RESERVES ARE INVESTED IN A POOLED INVESTMENT ACCOUNT MAINTAINED BY HOSPITAL SISTERS HEALTH SYSTEM (HSHS) PARTICIPATION IN THE POOLED FUND IS LIMITED TO THE 501(C) (3) HOSPITALS AND RELATED HEALTH SERVICES ORGANIZATIONS SPONSORED BY HOSPITAL SISTERS HEALTH SYSTEM THE POOLED ACCOUNT CONSISTS OF CASH, EQUITY AND DEBT SECURITIES THAT ARE PUBLICLY TRADED IN ACCORDANCE WITH THE PROVISIONS OF SFAS NO 124 "ACCOUNTING FOR CERTAIN INVESTMENTS HELD BY NOT-FOR-PROFIT ORGANIZATIONS", INVESTMENTS IN EQUITY SECURITIES WITH READILY DETERMINABLE FAIR VALUES AND ALL INVESTMENTS IN DEBT SECURITIES ARE REPORTED AT FAIR VALUE ON THE BALANCE SHEET INCOME, REALIZED AND UNREALIZED GAINS AND LOSSES ARE POOLED AND ALLOCATED TO THE PARTICIPANTS INDIVIDUAL COMPONENTS OF ASSETS AND REVENUE ARE NOT IDENTIFIED TO THE PARTICIPANTS ALL CURRENT RESERVES WILL BE USED TO FURTHER THE TAX-EXEMPT MISSION OF THE ORGANIZATION

Identifier	Return Reference	Explanation
TRANSACTIONS WITH RELATED ENTITIES	SCHEDULE R, PART V, LINE 2	THE TRANSACTIONS REPORTED IN QUESTION 1 ARE BETWEEN RELATED 501(C)(3) PUBLIC CHARITIES AND ARE NOT REPORTED IN THIS SECTION

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT REPORT		Hospital Sisters of St Francis Foundation, Inc is an affiliate of Hospital Sisters Health System(HSHS) Sponsored by the Hospital Sisters of St Francis, HSHS is composed of 13 hospitals and multiple physician groups in Wisconsin and Illinois The mission and services of Hospital Sisters of St Francis Foundation, Inc flows from the larger purpose and broader reach of HSHS Because of this relationship, HSHS supports the local work of Hospital Sisters of St Francis Foundation, Inc by ensuring a focus on mission, reinforcing local efforts to improve community health, and facilitating the exchange of "best practices" among all HSHS hospitals and physician groups This response to question 7 focuses on the broader efforts of HSHS to promote community health Like Hospital Sisters of St Francis Foundation, Inc, HSHS is founded in a set of mission principles including a commitment to Catholic identity, Franciscan healing ministry, commitment to local and regional communities, and careful fiscal stewardship Since the incorporation of HSHS in 1978, these principles have made possible a bright light of hope in the midst of darkness for many people As St Francis of Assisi noted, "All the darkness in the world cannot extinguish the light of a single candle " In fact, 13 HSHS Local Systems in Illinois and Wisconsin created 13 bright candles providing more than \$124 million in Community Benefit (including Charity Care at cost and the unpaid cost of Medicaid and other public programs) in the Fiscal Year ending June 30, 2009 These program benefits were as unique and diverse as the rural, urban, and inner city communities they serve Additionally, during this period, HSHS ministries provided over \$91 million in uncompensated care to patients that did not qualify for charity or public assistance and over \$157 million in excess of Medicare and managed care payments for healthcare services Bringing Light Where There is Darkness A national recession and rising unemployment during this Fiscal Year have created unimaginable hardships for many families and individuals, impacting livelihoods and health In the last six months of 2008, the US stock market experienced its worst year since 1931 As state budgets dipped into the red and philanthropies lost millions of dollars in their endowments, safety nets that protected the poor and vulnerable populations were weakened During the worst of the crisis, however, large portions of the Catholic health care sector, including HSHS, stepped up their Community Benefit to provide care for the sick and support to those in need A Community Benefit sampling of the 13 HSHS Local Systems is shared below A Healthy Start in Life Local Systems often carry out the Hospital Sisters' mission far beyond their walls, even providing care to former patients in their homes St Anthony's Memorial Hospital in Effingham, Illinois, provides a unique home care program for new moms and their babies This free home visit, an extension of the maternity hospital stay, helps ease concerns of new mothers and ensure families are fully equipped to provide children with the best nurturing care Over the past year, St Anthony's nurses visited 1,390 mothers and their babies in their homes within a nine-county area Visiting nurses examine both mother and baby and assist with questions new parents may have about care With the help of a portable diagnostic instrument, a visiting nurse painlessly checks the baby for jaundice, eliminating the need for the more traditional bilirubin blood test at the hospital (If needed, treatments for jaundice can begin immediately at home) This healthy start program is part of St Anthony's continuum of care that begins with prenatal and childbirth classes Sometimes a vital outreach into the community is brought within the hospital's walls St John's Hospital in Springfield, Illinois, provides space for a Pregnancy Care Center facility The Center provides early prenatal care for pregnant women, prepared childbirth classes, newborn care and parenting education, and physician referrals Because services are free of charge, access is guaranteed for young women with limited financial means or challenging family dynamics Not only does St John's support the Care Center with office space, it provides funding and health professionals as needed As a result of this collaboration, the Care Center served more than 400 new clients in 2009 from six different counties Charity Care is when a hospital organization provides free or discounted care to patients who cannot pay (and are ineligible for public programs and meet certain financial criteria) Local Systems are each committed to serving the healthcare needs of every person in their communities, regardless of ability to pay Because of this, HSHS hospitals are the healthcare safety net for the uninsured and vulnerable populations - the poor, the disabled, the young, and elderly Today, a growing number of the middle class members are included in this group Daniel was someone in need from the time he was 18 years old when he was diagnosed with Crohn's disease, a lifelong inflammation of the intestines Because the disease can cause great discomfort, including episodes of abdominal pain, vomiting and weight loss, regular preventive care and frequent monitoring are vital in order to avoid internal scarring and life-threatening intestinal blockages "It's a tough disease to manage but I've done it for 32 years," Daniel commented "In order to stay healthy, I need a colonoscopy every year to keep ahead of problems Unfortunately, over the years the costs for care have risen incredibly and the drugs I take to manage this condition are very expensive " In January 2009, Daniel was laid off from his job as a plumber "I've not had health insurance now or in the past because I work for a small employer and they are unable to offer employee health insurance," he said "I've tried to get insurance on my own, but no one will insure someone with Crohn's disease It's tough, really tough " St Mary's Hospital in Green Bay, Wisconsin, covers Daniel's procedures through its Charity Care program Full of gratitude, Daniel noted, "St Mary's provided life-saving colonoscopies for me for the past few years My doctor says it's a necessity so that he can monitor what's going on and try to prevent having surgery It's unbelievable what St Mary's has done for me I don't know what I'd do otherwise They're a godsend "

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT REPORT CONTINUED		Tools for Healthy Living Education is a powerful tool that can save lives, prevent disability and enhance safety. Knowledge also empowers, and many people appreciate the opportunity to take charge of their own health and wellness with the help of a professional navigator to show them the way. - St. Joseph's Hospital in Highland, Illinois, started an innovative project to help diabetics gain a better understanding of diabetes to live a healthier life. Using a new interactive device called Conversation Maps (developed by the American Diabetes Association), the hospital launched a four-part education series. Led by a registered nurse, pharmacist, and registered dietician, the free courses encourage discussion and engage participants in interactive myth-busting activities that clarify facts about diabetes. By uncovering information on key topics related to their diabetes, participants develop personal action plans to make better decisions and change behaviors in dealing with their diabetes. - Located along the Sangamon River in Central Illinois, Decatur's inner city residents struggle with high rates of unemployment, poverty, drug use and violent crime. To help address the health needs of this vulnerable inner city population, St. Mary's Hospital hosted several health fairs at neighborhood festivals in vacant lots and parks to provide free health assessments, testing and education. Colleagues, including the hospital's stroke coordinator and nurse educator, collaborated with "Stop the Violence" Project festival staff, a series of summer events sponsored by the local Ambassadors for Christ Ministries. Thanks to awareness education and prevention, lives may have been saved and at least one stroke averted. One festival attendee was diagnosed with extremely high blood pressure that was unknown and untreated. After visiting his physician and being placed on medication, and losing a considerable amount of weight, his blood pressure remained under control. The contact with St. Mary's colleagues was so positive, in fact, that he later applied for a job opening and today is himself a hospital colleague. Care for the Poor Free Clinics In an economy where many companies are seeing a decline in customers, business is booming at Wisconsin's free clinics. Patient rolls skyrocket as more low income and uninsured people seek care as a result of the downturn and job layoffs. St. Francis described his mission as a journey. "Start by doing what's necessary, then do what's possible, and suddenly you are doing the impossible." The impossible is a daily miracle in several free clinics in Wisconsin, thanks to four Local Systems. - In Green Bay, Wisconsin, more than 6,000 patients each year pass through the doors of the NEW Community Clinic, a 38-year-old free clinic with major support provided by St. Vincent's Hospital. In order to keep its doors open five days each week, St. Vincent's covers costs for nurses. In addition, St. Vincent's and St. Mary's Hospitals both provide laboratory services to free clinic patients at no cost and discounted radiology services. More than 70% of patients say the clinic's care prevented a trip to the Emergency Department. - St. Joseph's Hospital in Chippewa Falls, Wisconsin, donates laboratory services to its local free clinic, the Open Door Clinic. Support of the Chippewa Valley Free Clinic (A Vital Resource for uninsured and underinsured patients) with Sacred Heart volunteers on the Board, nursing and social work staff, assistance with grant writing, and \$25,000 in laboratory and radiology services, free clinic patient volumes broke records each month this year due to the economic downturn and growing unemployment. Thanks to the hospitals and other local support, the free clinic's exams, medication and lab tests are provided at no cost to patients. "Sometimes, as in the case of diabetes, a maintenance drug or treatment is critical to help prevent an even more debilitating condition like kidney failure or losing one's eyesight," said Free Clinic volunteer and Sacred Heart Hospital social worker Maria. "For someone that is recently unemployed and supporting a family, or working part-time jobs just to make ends meet, a medical need without health insurance is a major roadblock on the path back to self-sufficiency." A Global Reach of Compassion The 13 Local Systems that comprise Hospital Sisters Health System support health care around the globe by donating equipment and supplies to Hospital Sisters Mission Outreach, a nationally recognized not-for-profit organization focusing on the recovery and responsible redistribution of healthcare equipment and supplies to developing countries. The equipment ranging from commercial laundry machines to hospital beds and IV poles and syringes and diagnostic equipment is refurbished, cleaned and shipped internationally to needy medical clinics and hospitals worldwide. This "global community benefit" effort resulted in more than 90 tons of medical equipment donated to Mission Outreach. Of these donations, more than 75 tons have been distributed to disadvantaged hospitals and clinics to save and improve lives. Destination countries include Afghanistan, Bangladesh, Belize, Cambodia, Ecuador, , Ghana, Guatemala, Haiti, Honduras, Jamaica, Kenya, Mali, Mexico, the Philippines, Somalia, Tanzania and Uganda. The US Navy Project Hand Clasp assisted with transatlantic freighting for some materials. Not only does donated equipment help struggling hospitals, Local Systems see an added program benefit of practicing responsible environmental stewardship by reducing waste streams to landfills. St. Francis, the patron saint of ecology, would be proud of a ministry that both improves the health and well-being of the poor around the globe and is also "green." An Instrument of Peace The prayer of St. Francis begins, "Lord, make me an instrument of thy peace, where there is hatred, let me sow love, where there is injury, pardon." For 36 years, St. Nicholas Hospital in Sheboygan, Wisconsin, has daily lived that prayer through its generous support of a domestic abuse shelter that was first established in its basement. By providing emergency housing for women and children impacted by violence, the hospital helped meet a chronic community need. Today known as Safe Harbor Shelter from the Storm, the organization is a round-the-clock 16-bed facility that occupies two homes purchased by the hospital (rent- and utility-free). Safe Harbor provides residential living, counseling, an office for support services and a children's indoor play space. It is the county's only domestic violence shelter and provides services at no cost to victims of domestic violence or sexual assault. Because of the hospital's in-kind support and supply of volunteers, Safe Harbor concentrates its resources on serving domestic abuse victims and families.

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT REPORT CONTINUED		Feeding the Hungry The Franciscan charism of feeding the hungry is part of the ministry of St Francis Hospital, in Litchfield, Illinois Thanks to \$13,000 in financial support from colleagues' payroll deductions, food drives, and \$38,000 in support from the Friends of St Francis Hospital, the St Clare Food Pantry annually serves more than 250 local families To mark the Pantry's first Christmas, hospital staff baked cookies and donated candy to supply gift bags for children of food pantry patrons Supporting Family Farms and Local Economies At Sacred Heart Hospital in Eau Claire, Wisconsin, the entrance doors have the words of Mother Teresa of Calcutta "There is Hope Here " Recently, the hospital has given new hope to many struggling family farms In the 1990s, Wisconsin lost almost 40 percent of its farms Ironically, in the very heart of America's Dairyland, local farms, processors, and their products remain largely shut out of institutional markets even though those institutional buyers may be located only a few dozen miles away Large institutions such as hospitals, nursing homes, universities and school systems have long-established supply chains that ensure the safety, availability, variety and quantity of food products, but they seldom source local products In July 2008 Sacred Heart Hospital, in Eau Claire, Wisconsin, launched an effort to support local farms and the local economy by pledging 10 percent of its \$2 million food budget to sourcing local products In addition to opening up a new market, the hospital helped create the Producers & Buyers Co-op to link local farms with institutions to source food and ensure food safety In the first year, Sacred Heart Hospital spent more than \$200,000 on food from more than a dozen rural communities, including 11,000 lbs of beef, 2,400 lbs of pork and 12,000 lbs of chicken (all grown, processed and transported locally) The hospital's commitment provides farmers a guaranteed market to sell products at a fair price and sources local food to benefit patients, cafeteria visitors and colleagues, and Meals on Wheels patrons The project has already created new jobs in rural communities and allowed farmers and processors to expand their businesses "Following the Hospital Sisters Mission and our Franciscan tradition, Sacred Heart Hospital is proud to invest in its community by purchasing local food to support local agriculture," commented Steve, HSHS Divisional President and CEO (Western Wisconsin) "Local food is good medicine for everyone It is nutritious, fresh and flavorful for our patients It also benefits our local economy by preserving and expanding family farm operations, providing jobs in production and processing, and keeping money in our community " Mentoring Disadvantaged Students Schools that serve inner city students struggle with overcoming barriers to graduation Disadvantaged students often live in single parent homes, face poverty, a lack of opportunities in higher education and jobs, and other life challenges - St Elizabeth's Hospital in Belleville, Illinois, confronted these life limiting obstacles by initiating a local after-school tutoring and mentoring program Twenty-nine manager and administrator volunteers spent an hour each month assisting students with math homework and reading skills (a total of more than 260 hours) Students and mentors developed long-term relationships and by the end of the school year the students were invited for a tour of St Elizabeth's and received a certificate of recognition for their achievements - St Elizabeth's also participates in the Assisted Learning Vocational Program with the Belleville Township High School, a program that provides on-the-job training, job coaches and work experience for special education students The initiative helps students learn life skills to be self-sufficient and self-supporting In many cases, employers hire participants after they graduate This past year, St Elizabeth's Hospital hired David, a former student in the program David was born prematurely and was later diagnosed with autism This disability does not prevent him from being a star employee in the hospital's laundry department, operating giant ironing machines to fold and iron sheets, gowns, towels and other linens In his 32-hour-a-week job, David also helps with quality control, sorting out torn or stained linens He proudly commented for a newspaper interview, "When I saw a bath blanket was stuck, I stopped (the machine) and a co-worker got it out " His grandmother, Lorraine, added, "There's never a time when he doesn't want to go to work He's always on time " Teaching Sexual Abstinence to Teens In Clinton County, Illinois, annual Department of Health statistical data recorded more than 10% of births to teens and increasing rates of sexually transmitted disease To help reverse these trends, colleagues at St Joseph's Hospital in Breese, Illinois, launched "Game Plan," a new sexual abstinence program offered to eighth grade students in Clinton County schools A total of 320 students participated in the free classroom program presented by hospital physicians, nursing and laboratory colleagues The program began with a parents' overview night (Parents are instrumental to the program's success, and parental permission is required prior to student enrollment) "Game Plan" builds knowledge about abstinence until marriage, helps students recognize the potential benefits to health and well-being, and equips students to decide for themselves that abstinence is the healthy choice Six one-hour sessions totaled 3,510 contact hours (an average of 585 hours per instructor) Providing Transportation to Those in Need Sometimes health and wellness are neglected simply because of a lack of transportation to a medical appointment In Streator, Illinois, transportation options are limited because there is no public transit system or taxi service Many people, especially the elderly or disabled, have no transportation options St Mary's Hospital recognized this need and responded by launching a free medical transportation program to serve patients with disabilities and others with no other way of getting to and from medical appointments The program provides rides to seniors, children, expectant mothers and individuals with special needs Sara, a single mom, commented, "If it weren't for St Mary's van, my son wouldn't be able to go to his physical therapy, and I wouldn't be able to make my doctor appointments It is the best help " Care for Body, Mind and Spirit HSHS hospitals provide pastoral care, organize support groups, comfort the bereaved, and provide free cardiac risk assessments Through these and other Community Benefit programs, the 13 Local Systems daily live out the Hospital Sisters' mission by meeting the needs of the human person physical, emotional, and spiritual The Hospital Sisters have always lived and taught that this Franciscan mission gives special consideration to the poor, sick and aged regardless of race or creed Today, whether engaged in nursing, education, palliative care or advocacy, HSHS colleagues follow in the footsteps of St Francis and the Hospital Sisters, bringing hope where there is despair, light where there is darkness, and joy where there is sadness

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public Inspection

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

Name of the organization
HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Employer identification number

37-1186514

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
See Additional Data Table					

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) Disproporionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No
See Additional Data Table											

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
See Additional Data Table							

Part V

Transactions with Related Organizations

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

No

1o

No

1p

No

1q

Yes

1r

No

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

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

Schedule R (Form 990) 2008

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

[illegible]

Software ID:

Software Version:

EIN: 37-1186514

Name: HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Form 990, Schedule R, 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 501(c)(3))	(F) Direct Controlling Entity
HOSPITAL SISTERS HEALTH SYSTEM 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1058692	HEALTHCARE	IL	501(C)(3)	11A	NA
HOSPITAL SISTERS SERVICES INC 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1163402	HEALTHCARE	IL	501(C)(3)	11A	NA
Sacred Heart Hospital 900 West Clairemont Ave Eau Claire, WI54701 39-0807060	Healthcare	WI	501(c)(3)	3	NA
HSHS Health Care Trust Fund 4936 Laverna Road Springfield, IL62707 37-1137724	Healthcare	IL	501(c)(9)		NA
St Anthony's Hospital 503 N Maple Street Effingham, IL624012099 37-0661233	Healthcare	IL	501(c)(3)	3	NA
St Elizabeth's Hospital 211 South Third Street Belleville, IL622201998 37-0663567	Healthcare	IL	501(c)(3)	3	NA
ST FRANCIS HOSPITAL 1215 FRANCISCAN DRIVE LITCHFIELD, IL62056 37-0661236	Healthcare	IL	501(c)(3)	3	NA
ST JOHN'S HOSPITAL 500 EAST CARPENTER STREET SPRINGFIELD, IL62769 37-0661238	Healthcare	IL	501(c)(3)	3	NA
ST JOSEPH'S HOSPITAL 9515 HOLY CROSS LANE BREESE, IL622300099 37-1208459	Healthcare	IL	501(c)(3)	3	NA
ST JOSEPH'S HOSPITAL 1515 MAIN STREET HIGHLAND, IL622491649 37-0663568	Healthcare	IL	501(c)(3)	3	NA
ST JOSEPH'S HOSPITAL 2661 COUNTY HIGHWAY I CHIPPEWA FALLS, WI54729 39-0810545	Healthcare	WI	501(c)(3)	3	NA
ST MARY'S HOSPITAL 1800 E LAKE SHORE DRIVE DECATUR, IL62521 37-0661244	Healthcare	IL	501(c)(3)	3	NA
ST MARY'S HOSPITAL 111 SPRING STREET STREATOR, IL613643332 37-2169181	Healthcare	IL	501(c)(3)	3	NA
ST MARY'S MEDICAL CENTER 1726 SHAWANO AVENUE GREEN BAY, WI54303 39-0818682	Healthcare	WI	501(c)(3)	3	NA
ST NICHOLAS HOSPITAL 3100 SUPERIOR AVE SHEBOYGAN, WI530811948 39-0808480	Healthcare	WI	501(c)(3)	3	NA
ST VINCENT HOSPITAL 835 S VAN BUREN GREEN BAY, WI543013256 39-0817529	Healthcare	WI	501(c)(3)	3	NA
HOSPITAL SISTERS HEALTHCARE WEST 2661 COUNTY HIGHWAY I CHIPPEWA FALLS, WI54729 51-0157933	Healthcare	WI	501(c)(3)	11A	NA
HSHS SELF INSURANCE FUND 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1120626	Insurance	IL	501(c)(3)	11A	NA
HSHS MEDICAL GROUP INC 4936 LAVERNA ROAD SPRINGFIELD, IL62707 26-3956318	Healthcare	IL	501(c)(3)	11A	NA
HSHS WISCONSIN MEDICAL GROUP INC 8040 EXCELSIOR DRIVE STE 200 MADISON, WI53717 26-4515959	Healthcare	WI	501(c)(3)	11A	NA
ORANGE CROSS AMBULANCE INC 919 ASHLAND AVENUE SHEBOYGAN, WI53081 39-1860942	HEALTHCARE	WI	501(c)(3)	3	ST NICHOLAS
WISCONSIN UPPER PENINSULA MGMT SERVICES 835 S VAN BUREN GREEN BAY, WI543013256 39-1677100	HEALTHCARE	WI	501(c)(3)	3	ST VINCENTS
UNITY LIMITED PARTNERSHIP 2366 OAK RIDGE CIRCLE DE PERE, WI54115 39-1750729	HEALTHCARE	WI	501(c)(3)	11A	HSSI

Form 990, Schedule R, 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?		(I) Code V-UBI amount on Box 20 of Schedule K- 1 (Form 1065) (\$)	(J) General or Managing Partner?	
							Yes	No		Yes	No
Memorial and St Elizabeth's Healthcare 4000 North Illinois Street Swansea, IL62226 37-1312961	HealthCare	IL	St Elizabeth's	Related	0	0		No	0		No
Health Ventures Of So Illinois LLC 2810 Frank Scott PKWY W STE 700 Belleville, IL62223 37-1334060	HealthCare	IL	St Elizabeth's	Related	0	0		No	0		No
Prairie Heart Insutute - Carbondale LLC 800 East Carpenter Street Springfield, IL62769 37-1321197	HealthCare	IL	St John's	Related	0	0		No	0		No
Northeast Wisconsin Radiation Therapy Se 1821 S Webster Avenue Suite 300 Green Bay, WI543079047 26-3749065	HealthCare	WI	hssi	related	0	0		No	0		No
Pain Center of Wisconsin 4131 W Loomis Road Suite 300 Greenfield, WI53221 26-3155343	HealthCare	WI	hssi	Related	0	0		No	0		No
Surgery Center of Sheboygan LLC 3141 Saemann Ave Sheboygan, WI53081 26-0822209	HealthCare	WI	St Nicholas	Related	0	0		No	0		No
Prevea Ventures LLC 2710 EXECUTIVE DRIVE Green Bay, WI54304 20-3775127	HealthCare	WI	HSSI	Related	0	0		No	0		No
Clinical Integration Network LLC 4936 Laverna Rd Springfield, IL62707 26-1417684	HealthCare	IL	Kiara Inc	Related	0	0		No	0		No

Form 990, Schedule R, 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
Kiara Inc 4936 Laverna Rd Springfield, IL62707 37-1163401	HealthCare	IL	HSHS	C Corp	0	0	
LaSante Wisconsin Inc 4936 Laverna Rd Springfield, IL62707 39-1572196	HealthCare	IL	Kiara Inc	C Corp	0	0	
LaSante Inc 4936 Laverna Rd Springfield, IL62707 37-1163400	HealthCare	IL	Kiara Inc	C Corp	0	0	
Prairie Cardiovascular 619 East Mason Suite 4P57 Springfield, IL62701 37-1071858	HealthCare	IL	Kiara Inc	C Corp	0	0	
Prevea Health Services 2710 EXECUTIVE DRIVE Green Bay, WI54304 39-1839351	HealthCare	WI	HSSI	C Corp	0	0	
Prevea Clinic Inc 2710 EXECUTIVE DRIVE Green Bay, WI54304 39-1839349	HealthCare	WI	HSSI	C Corp	0	0	
Prevea Health Network 2710 EXECUTIVE DRIVE Green Bay, WI54304 39-2000537	HealthCare	WI	HSSI	C Corp	0	0	
Prevea Regional Services 2710 EXECUTIVE DRIVE Green Bay, WI54304 39-1909993	HealthCare	WI	HSSI	C Corp	0	0	

Additional Data

Software ID:

Software Version:

EIN: 37-1186514

Name: HOSPITAL SISTERS OF ST FRANCIS
FOUNDATION INC

Form 990, Schedule A, Part I, Line 11h - 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)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
ST ELIZABETH'S HOSPITAL BELLEVILLE IL	370663567	03	Yes		Yes		Yes		162785
ST JOSEPH'S HOSPITAL BREESE IL	371208459	03	Yes		Yes		Yes		29952
ST MARY'S HOSPITAL DECATUR IL	370661244	03	Yes		Yes		Yes		155889
ST ANTHONY'S MEMORIAL HOSPITAL EFFINGHAM IL	370661233	03	Yes		Yes		Yes		201438
ST JOSEPH'S HOSPITAL HIGHLAND IL	370663568	03	Yes		Yes		Yes		204364
ST FRANCIS HOSPITAL LITCHFIELD IL	370661236	03	Yes		Yes		Yes		40743
ST JOHN'S HOSPITAL SPRINGFIELD IL	370661238	03	Yes		Yes		Yes		1678275
ST MARY'S HOSPITAL STREATOR IL	372169181	03	Yes		Yes		Yes		284634
ST JOSEPH'S HOSPITAL CHIPPEWA FALLS WI	390810545	03	Yes		Yes		Yes		216993
SACRED HEART HOSPITAL EAU CLAIRE WI	390807060	03	Yes		Yes		Yes		825700
ST MARY'S HOSPITAL MEDICAL CENTER GREEN BAY WI	390818682	03	Yes		Yes		Yes		611563
ST VINCENT'S HOSPITAL GREEN BAY WI	390817529	03	Yes		Yes		Yes		1600240
ST NICHOLAS HOSPITAL GREEN BAY WI	390808480	03	Yes		Yes		Yes		855718
HOSPITAL SISTERS HEALTH SYSTEM SPRINGFIELD IL	371058692	03	Yes		Yes		Yes		300
HSBS MEDICAL GROUP INC	263956318	03	Yes		Yes		Yes		0
HSBS WISCONSIN MEDICAL GROUP INC	264515959	03	Yes		Yes		Yes		0