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Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

**2008****Open to Public Inspection****A** For the 2008 calendar year, or tax year beginning **7/01/08**, and ending **6/30/09****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 **MUNSON HEALTHCARE REGIONAL FOUNDATION**

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

**PO BOX 1188**

Room/suite

City or town, state or country, and ZIP + 4

**TRAVERSE CITY****MI 49685-1188****F** Name and address of principal officer**Desiree Worthington****210 Beaumont Pl.****Traverse City****MI 49684****D** Employer identification number**38-2642724****E** Telephone number**231-935-5000****G** Gross receipts \$ **2,133,950****H(a)** Is this a group return for affiliates?☐ Yes☒ No**H(b)** Are all affiliates included?☐ Yes☐ No

If "No," attach a list. (see instructions)

**I** Tax-exempt status ☒ 501(c) ( **3** ) (insert no ) 4947(a)(1) or 527**J** Website: **www.munsonhealthcare.org****H(c)** Group exemption number**K** Type of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation **1994****M** State of legal domicile **MI****Part I Summary****1** Briefly describe the organization's mission or most significant activities**Inspiring charitable support to enhance health care for the people of northern Michigan.****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** **23****4** Number of independent voting members of the governing body (Part VI, line 1b)**4** **20****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****b** Net unrelated business taxable income from Form 990-T, line 34**7b** **0****8** Contributions and grants (Part VIII, line 1h)

Prior Year

Current Year

**4,104,161****911,071****9** Program service revenue (Part VIII, line 2b)**1,037,897****991,427****10** Investment income (Part VIII, column (A), lines 3, 4, and 7d)**522,283****-898,106****11** Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)**600****600****12** Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)**5,664,341****1,004,992****13** Grants and similar amounts paid (Part IX, column (A), lines 1-3)**805,982****3,384,430****14** Benefits paid to or for members (Part IX, column (A), line 4)**15** Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)**16a** Professional fundraising fees (Part IX, column (A), line 11e)**b** Total fundraising expenses (Part IX, column (D), line 25)**723,276****17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)**1,038,936****992,209****18** Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)**1,844,918****4,376,639****19** Revenue less expenses Subtract line 18 from line 12**3,819,423****-3,371,647****20** Total assets (Part X, line 16)**15,893,293****11,972,673****21** Total liabilities (Part X, line 26)**618,092****508,243****22** Net assets or fund balances Subtract line 21 from line 20**15,275,201****11,464,430****Part II Signature Block****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.

**MARK HEPLER**

Signature of officer

Date

**5-13-10**

Type or print name and title

**INTERIM CHIEF FINANCIAL OFFICE****Paid Preparer's Use Only**

Preparer's signature

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4

**This tax return****prepared by a****non-paid preparer.**

EIN

Phone

no

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

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

Form **990** (2008)

POSTMARK DATE MAY 17 2010

SCANNED JUL 15 2010

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**Part III Statement of Program Service Accomplishments** (see instructions)**1** Briefly describe the organization's mission**Inspiring charitable support to enhance health care for the people of northern Michigan.****2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

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

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

If "Yes," describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**4a** (Code ) (Expenses \$ **3,081,759** including grants of \$ **3,081,759** ) (Revenue \$ **515,243** )**Funds for the support of Munson Medical Center, a related organization in the Munson Healthcare System. Major initiatives funded include the construction of the Smith Family Breast Health Center, assistance to cover pediatric treatment for needy patients, medical equipment purchases, funds for the Healthy Futures program, support for the Northern Diabetes Initiative, patient transport assistance, education, and other hospital based programs.****4b** (Code ) (Expenses \$ **238,065** including grants of \$ **238,065** ) (Revenue \$ **21,195** )**Funds to support Munson Home Care's Hospice & Palliative Care program which provides compassionate, end-of-life care to patients and families in northwest Michigan (including Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau, Manistee, Mason, Otsego and Wexford counties). The heart of the program's mission is to serve individuals and their families during their greatest time of need. Since 1978, Munson Home Care has cared for over 10,000 patients living with advanced illness or condition, their caregivers, and those who have lost a loved one-regardless of age, race, religion or financial circumstances.****4c** (Code ) (Expenses \$ **15,998** including grants of \$ **15,998** ) (Revenue \$ )**Training funds for North Flight, Inc., a related organization in the Munson Healthcare System. Education was provided for advanced life support and paramedic training.****4d** Other program services (Describe in Schedule O )(Expenses \$ **48,608** including grants of \$ **48,608** ) (Revenue \$ )**4e** Total program service expenses ▶ \$ **3,384,430** (Must equal Part IX, Line 25, column (B) )

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<b>X</b>	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors?	<b>X</b>	
<b>3</b> 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		<b>X</b>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		<b>X</b>
<b>5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
<b>6</b> 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		<b>X</b>
<b>7</b> 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		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<b>X</b>
<b>9</b> 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		<b>X</b>
<b>10</b> Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	<b>X</b>	
<b>11</b> 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	<b>X</b>	
<b>12</b> 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		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the U S ?		<b>X</b>
<b>b</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		<b>X</b>
<b>15</b> 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		<b>X</b>
<b>16</b> 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		<b>X</b>
<b>17</b> Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		<b>X</b>
<b>18</b> Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		<b>X</b>
<b>19</b> Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		<b>X</b>
<b>20</b> Did the organization operate one or more hospitals? If "Yes," complete Schedule H		<b>X</b>
<b>21</b> Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<b>X</b>	
<b>22</b> Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<b>X</b>	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	<b>X</b>	
<b>24a</b> 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		<b>X</b>
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		<b>X</b>
<b>b</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		<b>X</b>
<b>26</b> 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		<b>X</b>
<b>27</b> 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		<b>X</b>

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV		<b>X</b>
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		<b>X</b>
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		<b>X</b>
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		<b>X</b>
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		<b>X</b>
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		<b>X</b>
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	<b>X</b>	
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		<b>X</b>
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		<b>X</b>
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		<b>X</b>

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	<b>1a</b>	<b>8</b>
<b>1b</b>	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	<b>1b</b>	<b>0</b>
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	<b>X</b>
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	<b>0</b>
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	<b>2b</b>	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>3a</b>	<b>X</b>
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b>	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	<b>4a</b>	<b>X</b>
<b>b</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		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	<b>X</b>
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	<b>X</b>
<b>c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	<b>5c</b>	
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?	<b>6a</b>	<b>X</b>
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	<b>7a</b>	<b>X</b>
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	<b>X</b>
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7d</b>	
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	<b>X</b>
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	<b>X</b>
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	<b>X</b>
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	<b>7h</b>	<b>X</b>
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	<b>X</b>
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	<b>X</b>
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	<b>X</b>
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter.		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>a</b>	Gross income from members or shareholders	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them )	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	

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

	Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.		
<b>1a</b> Enter the number of voting members of the governing body	<b>1a</b>	<b>23</b>
<b>b</b> Enter the number of voting members that are independent	<b>1b</b>	<b>20</b>
<b>2</b> 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?	<b>2</b>	<b>X</b>
<b>3</b> 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?	<b>3</b>	<b>X</b>
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	<b>4</b>	<b>X</b>
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets?	<b>5</b>	<b>X</b>
<b>6</b> Does the organization have members or stockholders?	<b>6</b>	<b>X</b>
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	<b>7a</b>	<b>X</b>
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	<b>7b</b>	<b>X</b>
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	<b>8a</b>	<b>X</b>
<b>b</b> Each committee with authority to act on behalf of the governing body?	<b>8b</b>	<b>X</b>
<b>9a</b> Does the organization have local chapters, branches, or affiliates?	<b>9a</b>	<b>X</b>
<b>b</b> If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	<b>9b</b>	
<b>10</b> 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.	<b>10</b>	<b>X</b>
<b>11</b> 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.	<b>11</b>	<b>X</b>

**Section B. Policies**

	Yes	No
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13.	<b>12a</b>	<b>X</b>
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>12b</b>	<b>X</b>
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done.	<b>12c</b>	<b>X</b>
<b>13</b> Does the organization have a written whistleblower policy?	<b>13</b>	<b>X</b>
<b>14</b> Does the organization have a written document retention and destruction policy?	<b>14</b>	<b>X</b>
<b>15</b> 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:		
<b>a</b> The organization's CEO, Executive Director, or top management official?	<b>15a</b>	<b>X</b>
<b>b</b> Other officers or key employees of the organization? Describe the process in Schedule O (see instructions).	<b>15b</b>	<b>X</b>
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	<b>16a</b>	<b>X</b>
<b>b</b> If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	<b>16b</b>	

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► **MI**
- 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.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **Munson Healthcare Corporate Finance 3668 N US 31 S**

**TRAVERSE CITY****MI 49684****231-935-7777**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors****Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>K. DOUGLAS DECK</b> <b>DIRECTOR</b>	<b>4</b>	<b>X</b>						<b>0</b>	<b>902,329</b>	<b>187,666</b>
<b>DESIREE WORTHINGTON</b> <b>PRESIDENT</b>	<b>40</b>	<b>X</b>		<b>X</b>				<b>0</b>	<b>165,502</b>	<b>30,986</b>
<b>LORRAINE BEERS</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>59,769</b>	<b>11,297</b>
<b>ALICE SHIRLEY</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>BRUCE REAVELY</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>BRUCE SOULE</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>CATHIE MARTIN</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>CHARLES HAVILL</b> <b>VICE CHAIR</b>	<b>2</b>	<b>X</b>		<b>X</b>				<b>0</b>	<b>0</b>	<b>0</b>
<b>CHARLIE BUMB</b> <b>TREASURER</b>	<b>2</b>	<b>X</b>		<b>X</b>				<b>0</b>	<b>0</b>	<b>0</b>
<b>CYNTHIA GLINES, M.D.</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>EDWARD RUTKOWSKI, M.D.</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>GEORGE BEARUP</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>IRENE NUGENT</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>JON ARMSTRONG</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>KYLE CARR, M.D.</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>
<b>PAUL SCHMUCKAL</b> <b>CHAIRMAN</b>	<b>2</b>	<b>X</b>		<b>X</b>				<b>0</b>	<b>0</b>	<b>0</b>
<b>PAULINE NIELSEN</b> <b>DIRECTOR</b>	<b>2</b>	<b>X</b>						<b>0</b>	<b>0</b>	<b>0</b>



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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
PHILLIP GOETHALS DIRECTOR	2	X						0	0	0
REV. HOMER NYE SECRETARY	2	X		X				0	0	0
ROBERT SNELL DIRECTOR	2	X						0	0	0
RONALD YOCUM DIRECTOR	2	X						0	0	0
ROSS BIEDERMAN DIRECTOR	2	X						0	0	0
ROYCE RAGLAND DIRECTOR	2	X						0	0	0
EDWARD CARLSON CFO 10 MONTH	1			X				0	294,168	41,942
MARK A. HEPLER INTERIM CFO	1			X				0	187,547	36,148
<b>1b Total</b>									<b>1,609,315</b>	<b>308,039</b>

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

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 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
<b>3</b>		<b>X</b>
<b>4</b>	<b>X</b>	
<b>5</b>		<b>X</b>

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **0**

**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns	<b>1a</b>				
	<b>b</b> Membership dues	<b>1b</b>				
	<b>c</b> Fundraising events	<b>1c</b>				
	<b>d</b> Related organizations	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	<b>911,071</b>			
	<b>g</b> Noncash contributions included in lines 1a-1f \$					
	<b>h Total.</b> Add lines 1a-1f		<b>911,071</b>			
<b>Program Service Revenue</b>	<b>2a</b> <b>SHARED SERVICE REVENUE</b>	<b>Busn. Code</b>				
	<b>b</b>	<b>541900</b>	<b>991,427</b>	<b>991,427</b>		
	<b>c</b>					
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f		<b>991,427</b>			
	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		<b>230,852</b>			<b>230,852</b>
<b>4</b> Income from investment of tax-exempt bond proceeds						
<b>5</b> Royalties						
<b>Other Revenue</b>		(i) Real	(ii) Personal			
	<b>6a</b> Gross Rents					
	<b>b</b> Less rental exps					
	<b>c</b> Rental inc or (loss)					
	<b>d</b> Net rental income or (loss)					
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	<b>b</b> Less cost or other basis & sales exps	<b>1,128,958</b>				
	<b>c</b> Gain or (loss)	<b>-1,128,958</b>				
	<b>d</b> Net gain or (loss)		<b>-1,128,958</b>			<b>-1,128,958</b>
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	<b>a</b>				
	<b>b</b> Less direct expenses	<b>b</b>				
	<b>c</b> Net income or (loss) from fundraising events					
	<b>9a</b> Gross income from gaming activities See Part IV, line 19	<b>a</b>				
	<b>b</b> Less direct expenses	<b>b</b>				
	<b>c</b> Net income or (loss) from gaming activities					
	<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>				
	<b>b</b> Less cost of goods sold	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory					
<b>Miscellaneous Revenue</b>		<b>Busn. Code</b>				
<b>11a</b> <b>Miscellaneous</b>	<b>541900</b>	<b>600</b>	<b>600</b>			
<b>b</b>						
<b>c</b>						
<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d		<b>600</b>				
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		<b>1,004,992</b>	<b>992,027</b>	<b>0</b>	<b>-898,106</b>	

**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).**

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
<b>1</b> Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	<b>3,339,856</b>	<b>3,339,856</b>		
<b>2</b> Grants and other assistance to individuals in the U.S. See Part IV, line 22	<b>44,574</b>	<b>44,574</b>		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages				
<b>8</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
<b>9</b> Other employee benefits				
<b>10</b> Payroll taxes				
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management				
<b>b</b> Legal	<b>9,284</b>		<b>9,284</b>	
<b>c</b> Accounting	<b>2,650</b>		<b>2,650</b>	
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other	<b>824,571</b>		<b>190,557</b>	<b>634,014</b>
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses	<b>71,521</b>		<b>20,318</b>	<b>51,203</b>
<b>14</b> Information technology	<b>3,048</b>		<b>2,748</b>	<b>300</b>
<b>15</b> Royalties				
<b>16</b> Occupancy				
<b>17</b> Travel	<b>14,192</b>		<b>7,365</b>	<b>6,827</b>
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest				
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	<b>1,708</b>		<b>1,708</b>	
<b>23</b> Insurance	<b>3,671</b>		<b>3,671</b>	
<b>24</b> 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.)				
<b>a</b> <b>Miscellaneous</b>	<b>61,564</b>		<b>30,632</b>	<b>30,932</b>
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>f</b> All other expenses				
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24f	<b>4,376,639</b>	<b>3,384,430</b>	<b>268,933</b>	<b>723,276</b>
<b>26</b> <b>Joint Costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest bearing		1	
	2 Savings and temporary cash investments	<b>90,946</b>	2	<b>108,311</b>
	3 Pledges and grants receivable, net	<b>1,319,157</b>	3	<b>613,648</b>
	4 Accounts receivable, net	<b>1,581</b>	4	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment cost basis	<b>45,211</b>		
	b Less accumulated depreciation Complete Part VI of Schedule D	<b>44,372</b>	<b>2,546</b>	<b>839</b>
	11 Investments—publicly traded securities	<b>14,478,163</b>	11	<b>11,231,905</b>
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	<b>900</b>	15	<b>17,970</b>
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	<b>15,893,293</b>	16	<b>11,972,673</b>	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	<b>24,289</b>	17	<b>6,763</b>
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities Complete Part X of Schedule D	<b>593,803</b>	25	<b>501,480</b>
	26 <b>Total liabilities.</b> Add lines 17 through 25	<b>618,092</b>	26	<b>508,243</b>
	<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>		
27 Unrestricted net assets		<b>6,308,574</b>	27	<b>11,103</b>
28 Temporarily restricted net assets		<b>6,219,392</b>	28	<b>9,760,881</b>
29 Permanently restricted net assets		<b>2,747,235</b>	29	<b>1,692,446</b>
<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
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 <b>Total net assets or fund balances</b>		<b>15,275,201</b>	33	<b>11,464,430</b>
34 <b>Total liabilities and net assets/fund balances</b>		<b>15,893,293</b>	34	<b>11,972,673</b>

**Part XI Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		<b>X</b>
b	Were the organization's financial statements audited by an independent accountant?		<b>X</b>
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?		
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?		<b>X</b>
b	If "Yes," did the organization undergo the required audit or audits?		



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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	259,639	889,035	2,175,616	4,104,161	911,071	8,339,522
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1-3	259,639	889,035	2,175,616	4,104,161	911,071	8,339,522
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1,405,723
<b>6 Public support.</b> Subtract line 5 from line 4						6,933,799

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4	259,639	889,035	2,175,616	4,104,161	911,071	8,339,522
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	147,680	174,948	280,426	408,864	230,852	1,242,770
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	9,756				600	10,356
<b>11 Total support.</b> Add lines 7 through 10						9,592,648
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	4,018,263
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	72.2824 %
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f	<b>15</b>	65.3427 %
<b>16a 33 1/3 % support test—2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>		
<b>b 33 1/3 % support test—2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2008.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2007.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1-5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

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

**Section C. Computation of Public Support Percentage**

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

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	<b>18</b>	%

**19a 33 1/3 % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

**b 33 1/3 % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

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

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

**Part II, Line 10 - Other Income Detail**

Miscellaneous	\$	600
Special Event Income	\$	9,756

**Supplemental Information**

Shared service revenue is a reimbursement of the Foundation's expenses by Munson Healthcare, Munson Medical Center, and several other organizations that benefit from the Foundation's fundraising efforts. The reimbursement is not considered support of the Foundation, but merely a reimbursement of expenses to cover the cost of the Foundation's operations. Therefore, the reimbursement amounts are not included in the support schedule, in accordance with the instruction definitions.



**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

**2008****Open to Public Inspection**

Name of the organization

**MUNSON HEALTHCARE REGIONAL  
FOUNDATION**

Employer identification number

**38-2642724****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? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>		
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? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>		

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

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

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ \_ \_ \_ \_ \_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ \_ \_ \_ \_ \_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

**a** ☐ Public exhibition

**d** ☐ Loan or exchange programs

**b** ☐ Scholarly research

**e** ☐ Other \_\_\_\_\_

**c** ☐ Preservation for future generations

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

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

☐ Yes

☐ No

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

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

☐ Yes

☐ No

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

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

**c** Beginning balance

**d** Additions during the year

**e** Distributions during the year

**f** Ending balance

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

☐ Yes

☐ No

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

**Part V Endowment Funds.** Complete if 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
<b>1a</b> Beginning of year balance	<b>14,478,163</b>				
<b>b</b> Contributions	<b>1,592,179</b>				
<b>c</b> Investment earnings or losses	<b>-1,327,951</b>				
<b>d</b> Grants or scholarships	<b>-1,029,785</b>				
<b>e</b> Other expenditures for facilities and programs	<b>-2,455,542</b>				
<b>f</b> Administrative expenses	<b>-25,160</b>				
<b>g</b> End of year balance	<b>11,231,905</b>				

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

**a** Board designated or quasi-endowment **▶** \_\_\_\_\_ %

**b** Permanent endowment **▶** **15.07** %

**c** Term endowment **▶** **84.93** %

**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

	Yes	No
<b>3a(i)</b>		<b>X</b>
<b>3a(ii)</b>		<b>X</b>
<b>3b</b>		

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

**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
<b>1a</b> Land				
<b>b</b> Buildings				
<b>c</b> Leasehold improvements				
<b>d</b> Equipment		<b>45,211</b>	<b>44,372</b>	<b>839</b>
<b>e</b> Other				

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

**839**

**Part VII Investments—Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other _____		
_____		
_____		
_____		
_____		
_____		
_____		
_____		
_____		
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12 ) ►		

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

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

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

[illegible]

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

(a) Description of liability	(b) Amount
Federal income taxes	
<b>LIABILITY FOR CHARITABLE GIFT ANNUITY</b>	<b>258,005</b>
<b>AFFILIATE ACCOUNTS PAYABLE</b>	<b>243,475</b>
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25 ) ▶	<b>501,480</b>

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

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

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

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

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

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

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

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

**Part V, Line 4 - Intended Uses for Endowment Funds**

Munson Healthcare Regional Foundation holds permanent endowment funds for  
Munson Medical Center, brother corporation; for nursing scholarships; and  
for other entities in the Munson Healthcare System.

Quasi-endowment funds are held for a variety of healthcare needs in the  
Munson Healthcare System. These include capital replacement and expansion;

**Part XIV** Supplemental Information (continued)

sustaining funds for specific programs including the Munson Hospice House,  
the Munson Hospitality House, pediatric programs, women's health issues,  
diabetes initiatives, community health needs, research, patient transport,  
professional and patient education, and many other identified interests of  
Munson Healthcare and the communities it serves; and funds for patients who  
require financial assistance to obtain health care or further their ability  
to receive health care.



**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
<b>Scholarships</b>	<b>31</b>	<b>32,852</b>			
<b>Cash for Patient Needs</b>	<b>92</b>	<b>11,722</b>			

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

**Part I, Line 2 - Procedures for Monitoring the Use of Grant Funds**

The Munson Healthcare Regional Foundation requests and receives reports from program managers for projects supported within the Munson Healthcare system.

Scholarships are available for books, tuition and lab fees for those going into nursing or priority health care fields. Recipients are reimbursed for items covered under the terms of the scholarship. Grantees must turn in receipts and grade reports to substantiate eligibility, which are then processed and paid out of scholarship monies.

**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  
InspectionName of the organization **MUNSON HEALTHCARE REGIONAL  
FOUNDATION**Employer identification number  
**38-2642724****Part I Questions Regarding Compensation****1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

**b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:**a** Receive a severance payment or change of control payment?**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?**c** Participate in, or receive payment from, an equity-based compensation arrangement?

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

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.****5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:**a** The organization?**b** Any related organization?

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

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

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

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

X

X

X

X

X

X

X

X

X

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

Schedule J (Form 990) 2008





38-2642724

Schedule J (Form 990) 2008 MUNSON HEALTHCARE REGIONAL

**Part III Supplemental Information**

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

**Part I, Line 4 - Severance, Nonqualified, and Equity-Based Payments**

	Severance	Nonqualified Equity-based
K. DOUGLAS DECK	0	141,073
DESIREE WORTHINGTON	0	4,960
EDWARD CARLSON	0	14,884
MARK A. HEPLER	0	9,798

**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

**MUNSON HEALTHCARE REGIONAL  
FOUNDATION**

Employer identification number

**38-2642724****Form 990 - Organization's Mission or Most Significant Activities****The purposes for which Munson Healthcare Regional****Foundation is organized are:**

- a) To provide support for the objects and purposes of Munson Healthcare, a Michigan nonprofit corporation and its affiliates, including Munson Medical Center, Munson Home Care, North Flight, Inc., and Kalkaska Memorial Health Center;**
- b) To assist in a charitable manner, in the accomplishment of the health care purposes of Munson Healthcare and its affiliates;**
- c) To obtain funds to support public charities in the area of health maintenance, education and prevention of diseases;**
- d) To provide a benefit to Munson Healthcare and its affiliates by distributing income or transferring assets to or otherwise supporting them;**
- e) To participate to the fullest extent possible within the restrictions of the Corporation's funds and assets in any activity designed and carried on to promote the general health of the community;**
- f) To participate in establishing and achieving Munson Healthcare's regional fundraising targets and goals in accordance with Munson Healthcare's fundraising plans and strategies; and**
- g) To support and participate in the achievement of the**

Name of the organization

**MUNSON HEALTHCARE REGIONAL**

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**38-2642724**

mission of Munson Healthcare and its affiliates, consistent with their collective mission.

The Munson Healthcare Regional Foundation is part of the Munson Healthcare System. Through its hospitals and other affiliates, the System delivers a broad array of health care services to 24 counties in Michigan's Northern Lower Peninsula and the eastern portion of the Upper Peninsula. Consistent with its mission, the Munson Healthcare System provided \$36 million in charity care and other community benefits, including bad debt and the System Medicare funds shortfall for residents of Northern Michigan in the 2008 tax year.

Form 990, Part III, Line 4b - Second Achievement

Munson Hospice's professional staff and dedicated volunteers offer comfort, peace, and compassion in the home or at the Hospice House, which is located on the campus of Munson Medical Center. Additionally, Munson Hospice provides grief support services to families for up to one year after the loss of a loved one. Hospice bereavement counselors are frequently requested by area schools to help students and teachers cope with the traumatic death of a classmate or other crisis. Our innovative Palliative Care program guides patients and families through difficult conversations and choices about treatment and pain management.

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**Form 990, Part III, Line 4d - All Other Achievements**

Munson Healthcare Regional Foundation funds nursing scholarships and unmet healthcare needs of patients in the Munson Healthcare System.

**Form 990, Part VI, Line 2 - Related Party Information Among Officers**

K. Douglas Deck

Desiree Worthington

Pres MHC

Pres MFD

Munson Healthcare employer

K. Douglas Deck

Mark A. Hepler

Pres MHC

Interim CFO

Munson Healthcare employer

K. Douglas Deck

Edward Carlson

Pres MHC

CFO beg year

Munson Healthcare employer

**Form 990, Part VI, Line 6 - Classes of Members or Stockholders**

Munson Healthcare Regional Foundation is organized on a nonstock membership basis. The sole member is Munson Healthcare, an IRS Section 501(c)(3) tax-exempt organization.

**Form 990, Part VI, Line 7a - Election of Members and Their Rights**

Trustees are elected from among those persons nominated by the Munson Healthcare Governance Committee. Additionally, the President of Munson Healthcare or designee and the President of Munson Healthcare Regional

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Foundation serve as trustees on an ex-officio basis, with vote.

Form 990, Part VI, Line 7b - Decisions Subject to Approval of Members

Certain decisions of the Munson Healthcare Regional Foundation Trustees are subject to approval by the Munson Healthcare Board of Directors including the amendment of the articles of incorporation; amendment of the mission statement; adoption of a plan of dissolution, merger, consolidation or reorganization; sale, lease, exchange or other disposition of all or substantially all to the property and assets; acceptance of the annual budget and annual financial statements; incurrence of expenditures exceeding budgeted aggregates by more than five percent; incurrence of certain debt; and appointment of the President.

Form 990, Part VI, Line 10 - Organization's Process Used to Review Form 990

The Munson Healthcare Regional Foundation Board is deeply committed to the accuracy and thoroughness of the Form 990 reporting. Munson Healthcare Regional Foundation belongs to the Munson Healthcare System.

At the corporate level, the responsible individuals from the Finance, Administration, Business, Legal, Human Resources, Public Relations, and Fund Development departments prepare and review portions of the Form 990. Board Committees then further review specific disclosures. The Compensation Committee reviews the compensation information contained in the core form as well as the Schedule J information. The Conflict, Valuation and Compliance Committee reviews the conflict of interest disclosures prepared by Board members and key employees to ensure compliance with the conflict of interest policy. The Audit Committee

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reviews the entire Form 990.

**Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy**

The Munson Healthcare (sole member) Board has a standing Conflict, Valuation, and Compliance ("CVC") Committee. Any transactions with disqualified persons are subject to prior approval of fair market value by the CVC Committee. Annually, the CVC Committee directs the process for each trustee and key employee of Munson Healthcare Regional Foundation to complete a conflict of interest questionnaire. The responses are reviewed and summarized by Munson Healthcare's legal department. A full report is presented to the CVC Committee for its review and approval. The CVC Committee utilizes the questionnaire responses to evaluate any transaction with a potential conflict.

**Form 990, Part VI, Line 15a - Compensation Process for Top Official**

The process for determining appropriate levels of pay for executive positions within Munson Healthcare System is carefully and thoughtfully directed by the Munson Healthcare Board of Directors, through the Compensation and Executive Leadership Development Committee. The Committee utilizes "best practices" methods of determining compensation and, as such, is composed of eight members whose voting members are independent. The committee is charged with ensuring that executive compensation is designed to attract and retain high quality, professional leadership while maintaining strong stewardship for the organization.

Annually, the Committee retains a national independent consultant to ensure that Munson Healthcare's compensation practices and levels are

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independently reviewed while being competitive and reasonable.

Compensation levels reflect the scope of each executive's responsibilities, educational background, experience, and industry standing as well as individual and organizational performance.

Annual compensation for Munson Healthcare System executives is determined, in part, by measurable progress toward the organization's goals including continued improvement in clinical quality, community health, and operational efficiencies.

Munson Healthcare's goal for executive base compensation is to be at the median nationally when compared to like-size non-profit hospitals and healthcare systems.

In general, and based on the experience and performance of the executive, Munson will position total cash compensation between the 50th and 75th percentile of competitive total cash compensation.

Form 990, Part VI, Line 15b - Compensation Process for Officers  
Compensation of other officers is consistent with that of the top executives for Munson Healthcare Regional Foundation and Munson Healthcare.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation  
The Munson Healthcare Regional Foundation Articles of Incorporation are available to the public on the Michigan Department of Treasury website.  
Munson Healthcare Regional Foundation does not make the bylaws, conflict of



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Employer identification number

**38-2642724**

interest policy or financial statements available to the public. Annually, Munson Healthcare Regional Foundation prepares and distributes an annual report to the community, which contains financial as well as program data.

Form 990, Part VII - Related Organizations

Desiree Worthington allocates 85% of her time to Munson Healthcare Regional Foundation as its president and 15% of her time to Paul Oliver Memorial Hospital Foundation as its president.

K. Douglas Deck, President of Munson Healthcare, System parent corporation, allocates all his time to that company.

Edward Carlson, CFO for 10 months, allocated 40% of his time to Munson Healthcare, System parent organization, and 60% to Munson Medical Center, brother corporation.

Mark Hepler, Interim CFO for 2 months and Secretary/Treasurer, allocates 30% of his time to Munson Healthcare; 70% to Munson Medical Center; and less than an hour a week to the remaining organizations in the Munson Healthcare System in his capacity as Interim CFO for all Munson System organizations.

Schedule O - Additional Information

Audited Financial Statements

Munson Healthcare Regional Foundation's financial statements were audited on a consolidated basis as part of the audit of Munson Healthcare and Subsidiaries. The consolidated audited financial statements were prepared

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**38-2642724**

in accordance with Generally Accepted Accounting Principles (GAAP) and received an unqualified opinion from Ernst & Young.

Munson Healthcare, system parent organization, maintains an audit committee that is responsible for overseeing the audit of the financial statements, the selection of the independent auditors, and the process for preparing the Form 990. That process includes the review of Munson Healthcare, Munson Medical Center, Munson Healthcare Regional Foundation, and selected other system entity Forms 990 on an annual basis.

Explanation of Munson Healthcare CEO compensation in Part VII Section A and Schedule J:

K. Douglas Deck, CEO of Munson Healthcare, received two incentive payments in calendar 2008 covering two full fiscal years, 2007 and 2008. The payments occurred in two fiscal years, the first of which was Mr. Deck's first year with Munson Healthcare. The Board of Directors approved the payments in accordance with the compensation policies of Munson Healthcare.

**SCHEDULE R**  
(Form 990)**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2008****Open to Public Inspection**

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

**MUNSON HEALTHCARE REGIONAL  
FOUNDATION**Employer identification number  
**38-2642724****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
<b>Munson Dialysis Center</b> 1105 Sixth St TRAVERSE CITY MI 49684 38-3097861	Dialysis	MI	(c) (3)	3	Munson HC
<b>Munson Healthcare</b> 1105 Sixth St TRAVERSE CITY MI 49684 38-2640544	Parent	MI	(c) (3)	11b	
<b>Munson Home Care</b> 1105 Sixth St TRAVERSE CITY MI 49684 38-2191390	Home Health	MI	(c) (3)	9	Mun Home H
<b>Munson Home Health</b> 1105 Sixth St TRAVERSE CITY MI 49684 38-3335362	Home Health	MI	(c) (3)	11b	Munson HC
<b>Munson Home Services</b> 1105 Sixth St TRAVERSE CITY MI 49684 38-2543463	Home Health	MI	(c) (3)	9	Mun Home H

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

DAA

Schedule R (Form 990) 2008

**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) Dispro- portionate alloc ?		(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?
							Yes	No		
Munson Medical Building Partners PO Box 1188 TRAVERSE CITY MI 49685-1188 38-2830005	Real Estat	MI	N/A	N/A	N/A	N/A			N/A	N/A
Northern Michigan Supply Alliance 2651 Aero Park Dr. TRAVERSE CITY MI 49686 38-3453378	Purchasing	MI	N/A	N/A	N/A	N/A			N/A	N/A

**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
Munson Support Services PO Box 1188 TRAVERSE CITY MI 49685-1188 38-2872821	Laundry	MI	N/A	C	N/A	N/A	N/A
Munson Services, Inc. PO Box 1188 TRAVERSE CITY MI 49685-1188 38-3144382	Pharmacy	MI	N/A	C	N/A	N/A	N/A
Medical Office Building Condominium PO Box 1188 TRAVERSE CITY MI 49685-1188 38-3567278	Real Estat	MI	N/A	C	N/A	N/A	N/A

**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)**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)	<b>Munson Medical Center</b>	<b>b</b>	<b>434,892</b>
(2)	<b>Munson Healthcare</b>	<b>k</b>	<b>405,756</b>
(3)	<b>Munson Medical Center</b>	<b>k</b>	<b>515,243</b>
(4)	<b>Munson Healthcare</b>	<b>n</b>	<b>761,171</b>
(5)	<b>Munson Medical Center</b>	<b>o</b>	<b>273,027</b>
(6)	<b>Munson Home Care</b>	<b>b</b>	<b>217,566</b>

Schedule R (Form 990) 2008





## Part II Continuation of Identification of Related Tax-Exempt Organizations

[illegible]







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

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

