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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 Fo	r the .	2008 ca	lendar yea	r, or tax year beginn	ng 07-01-2008 and	l ending 06-30-2009)	D Franciscon ide	
_		pplicable	Please use IRS	C Name of organization MERCY HOSPITAL IOW	A CITY IOWA			1 ' '	entification number
_	iress ch	-	label or print or	Doing Business As				42-068039 E Telephone nu	
	me cha	-	type. See					(319) 339-	3238
	ial retui minatio		Specific Instruc-	Number and street (or 500 EAST MARKET ST	PO box if mail is not de REET	elivered to street addres	ss) Room/suite		t s \$ 236,124,179
	ended		tions.	City or town, state or	country, and ZID ± 4			_	
		pending		IOWA CITY, IA 52245					
i Abi	Jilcation	i penung	E Nov			ı			
				ne and address of Pri AEL G HEINRICH	ncipal Officer			us a group return ates?	for
				AST MARKET STREE CITY,IA 52245	Т				
—— I Та	x-exem	pt status) (3) ◄ (insert no)	4947(a)(1) or 527			ll affiliates include	•
W	eb sit	e: ► www	w mercylow	acity org				up Exemption Nu	See instructions) mber ►
К Тур	e of org	janization	▽ Corporat	ion trust associatio	n other ►		L Year of Fo	ormation 1873 M	State of legal domicile IA
Pa	rt I	Sum		e organization's miss	ion or most significa	nt activities			
a 1	•			rt the sick and impro	_		orit of Jesus	Christ	
ĕ			4	To the brok and impro		a, e 5 p			
Ē									
Governance	2	Check t	this box 🦵	ıf the organızatıon dı	scontinued its operat	ions or disposed of	more than 2	25% of its asset	5
			_	members of the gove		•		_	13
~ ∽ ⇔				ndent voting members)	_	12
Activities &	l _			nployees (Part V, line				_	1,452 350
₽CE	6			olunteers (estimate if ted business revenu				-	198,469
•				iness taxable income			•	7a _ 7b	0
					,		Pri	or Year	Current Year
	8	Contri	butions and	d grants (Part VIII, I	ne 1 h)			342,111	939,199
ПE	9	Progra	ım service	revenue (Part VIII, I	ıne 2g)		137,249,627	139,087,253	
Reveni	10	Invest	ment incor	me (Part VIII, colum	n (A), lines 3, 4, and		9,439,215	-6,872,693	
_	11		•	art VIII, column (A)				367,143	1,579,552
	12	Totalı 12)	revenue—a	dd lines 8 through 11	(must equal Part VI	II, column (A), line	1	147,398,096	134,733,311
	13	Grants	and simila	ar amounts paid (Par	IX, column (A), lines	s 1-3)		51,815	189,917
	14	Benefi	ts paid to c	or for members (Part	(X, column (A), line 4	·)			0
92	15	Saları 10)	es, other co	ompensation, employ	ee benefits (Part IX,	column (A), lines 5	-	73,679,005	79,490,083
Expenses	16a	•	sional fund	raising fees (Part IX	column (A), line 11e	<u>.</u>)		73,073,003	0
∑	ь			penses, Part IX, column ()			
ш	17	•	_	(Part IX, column (A),	-	·24f)		63,981,274	60,210,668
	18	Total	expenses—	add lines 13–17 (mi	ıst equal Part IX, lıne	25, column (A))		137,712,094	139,890,668
	19	Reven	ue less exp	oenses Subtract line	18 from line 12			9,686,002	-5,157,357
\$ 8 8 8 8							Beginn	ning of Year	End of Year
aere aere	20	Total	assets (Par	rt X, line 16)				280,640,186	260,856,362
Net Assets or Fund Balances	21	Totall	ıabılıtıes (F	Part X, line 26)				110,657,253	131,407,112
	22	Netas	sets or fun	d balances Subtract		169,982,933	129,449,250		
Pai	rt II		ature Bl						
				erjury, I declare that I hav correct, and complete De					he best of my knowledge er has any knowledge
Plea		****					2010)-05-13	
Sigr Here		Sign	ature of office	er			Date		
	_		HAEL G HEINE or print nam	RICH EXECUTIVE VP OF F	NANCE & CFO				
		F ¹yp∈	or print nam	ie and tide	Τ_	T .	u 1 - 5		(0 0 5)
D-' '		Preparer signature			Date	S	heck if elf-	Preparer's PTIN	(See Gen Inst)
Paid	arer's			. L DELOTTE TWW.		е	mpolyed 🕨		
Use (ıf self-er	ame (or yours nployed),	P				EIN Þ	
_ 55 '	y	address,	and ZIP + 4	50 SOUTH SIXTH ST	REET STE 2800			Phone no 1 (6	12) 397-4000
N4 -		<u> </u>		MINNEAPOLIS, MN				15110 110 7 (0	
мау∵	tne IR	5 aiscus	s tnis retu	rn with the preparer s	поwn above? (See in	istructions)			▼ Yes

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

1	Briefly describe the organization's mission Mercy Iowa City ("Mercy") heals and comforts the sick and works to improve the health of the community in the spirit of Jesus Christ and the Catholic tradition of the Sisters of Mercy
2	Did the organization undertake any significant program services during the year which were not listed on
_	the prior Form 990 or 990-EZ?
3	Did the organization cease conducting or make significant changes in how it conducts any program services?
_	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 \$ 99,521,148 including grants of \$ 0) (Revenue \$ 139,200,765) Hospital services In keeping with our mission of healing and comforting the sick, providing hospital medical services is at the heart of what we do These services are provided in inpatient and outpatient settings in situations that may be emergent, acute, or chronic Services include a 24-hour emergency unit, intensive care, cardiovascular care and the services of a cardiac cath lab, maternity unit and newborn nursery, surgical services, cancer care, orthopedic care, telemetry monitored care, medical care, stroke care, behavioral health care, and skilled nursing
4b	(Code) (Expenses \$ 729,853 including grants of \$ 0) (Revenue \$ 234,321) Education The ongoing education of Mercy staff members is critical in the fast-changing field of health care and is necessary in many cases to meet regulation and certification. In addition to the efforts designed for staff members, Mercy provides a setting for many students who are considering or pursuing health care careers
	For high school students, a health careers class is offered to give students insight into possible careers and options, it also prepares students for the certified nursin assistant exam. Mercy also works with students from health education programs that include the University of Iowa, Kirkwood Community College, and other local colleges, offering such options as a paid summer nursing internship program, a lab student rotation opportunity, and job shadow opportunity in anesthesiology. The support and education of future health care providers is critical not only for Mercy but for all health care institutions and our entire community.
4 c	(Code) (Expenses \$ 2,825,045 including grants of \$ 189,917) (Revenue \$ 0) Community Benefit Mercy's community benefits take many forms, beginning with traditional charity care of \$1 1 million, the unpaid cost of Medicaid (\$1 4 million) and subsidized health services related to Mercy's provision of a community hospice facility (\$93,000) Other examples are varied, they include cash donations to community not-for-profits such as the Free Medical Clinic, free meeting space to valued community organizations, leadership time and skills that further the work community not-for-profits, first aid booths provided at public events. These efforts are detailed in Mercy's community benefit report, prepared annually. As a trusted, longtime member of the community, Mercy plays an important role not only in furthering community health but the general community good.
	Other program services (Describe in Schedule O)
	(Expenses \$ including grants of \$) (Revenue \$)
4e	Total program service expenses \$ 103,076,046 Must equal Part IX, Line 25, column (B).

art IV	Check	klist of	Require	d Sc	hedules
		AIISL OI	IXC quii C	u J	cuuics

			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		Νο
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	Yes	
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		Νο
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	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		Νo
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		Νο
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? <i>If</i> "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		No
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		No
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		Νο
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	Yes	
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		Νο
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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		Νο
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		Νο
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	Yes	
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 VI . . .

Part IV Checklist of Required Schedules (Continued)

			res	NO
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
а	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a		Νο
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b		Νο
С	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV.	28c		Νo
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		Νο
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		Νο
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>	32		Νo
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		Νo
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	Yes	
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related	37		Νο

Pa	rt V	Statements Regarding Other IRS Filings and Tax Complianc	е				
						Yes	No
1a	Enter	r the number reported in Box 3 of Form 1096, Annual Summary and Transmittal					
		S. Information Returns . Enter -0- if not applicable					
			1a	52			
b	Enter	r the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
С		he organization comply with backup withholding rules for reportable payments to ng (gambling) winnings to prize winners?	oveno	dors and reportable	1c	Yes	
2a	_	r the number of employees reported on Form W-3, Transmittal of Wage and Tax					
		ments filed for the calendar year ending with or within the year covered by this	a -	1.453			
	retur		2a	1,452			
D		least one is reported in 2a, did the organization file all required federal employm :If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this			2b	Yes	
3a		he organization have unrelated business gross income of \$1,000 or more during					
		n ⁷			3a	Yes	
b		es," has it filed a Form 990-T for this year? <i>If "No," provide an explanation in Sch</i>			3b	Yes	
4a		ny time during the calendar year, did the organization have an interest in, or a si · a financial account in a foreign country (such as a bank account, securities acc					
		a financial account in a foreign country (such as a bank account, securities acc unt)?		, or other illiancial	4a		No
b		es," enter the name of the foreign country					
		the instructions for exceptions and filing requirements for Form TD F 90-22.1, <i>Re</i>	port o	f Foreign Bank and			
	Fınan	cial Accounts.					
5a	Was	the organization a party to a prohibited tax shelter transaction at any time durir	ng the	tax year?	5a		No
b	Dıd a	iny taxable party notify the organization that it was or is a party to a prohibited	tax sh	nelter transaction?	5b		No
c		es," to 5a or 5b, did the organization file Form 8886-T, <i>Disclo</i> s <i>ure by Tax-Exemp</i> e	t Entit	y Regarding Prohibited			
		thelter Transaction?	•		5c		<u> </u>
6a		he organization solicit any contributions that were not tax deductible?			6a		No
b		es," did the organization include with every solicitation an express statement th not tax deductible?	nat sud	ch contributions or gifts	6b		
7		nizations that may receive deductible contributions under section 170(c).	-				
а	_	he organization provide goods or services in exchange for any quid pro quo con	trıbutı	on of \$75 or	7a		No
		7					
		es," dıd the organization notify the donor of the value of the goods or services pr			7b		
С		he organization sell, exchange, or otherwise dispose of tangible personal propei orm 8282?		-	7c		No
d		es," indicate the number of Forms 8282 filed during the year	7d				<u> </u>
e		he organization, during the year, receive any funds, directly or indirectly, to pay			7-		N a
e		fit contract?			7e 7f		No No
f		ne organization, during the year, pay premiums, directly or indirectly, on a perso Il contributions of qualified intellectual property, did the organization file Form 8				Vac	140
g h				·	7g	Yes	
n		ontributions of cars, boats, airplanes, and other vehicles, did the organization fi			7h	Yes	
8		on 501(c)(3) and other sponsoring organizations maintaining donor advised funds a					
		<i>orting organizations.</i> Did the supporting organization, or a fund maintained by a s ss business holdings at any time during the	pons	oring organization, have	_		
					8		<u> </u>
9		on 501(c)(3) and other sponsoring organizations maintaining donor advised funds.					
а	Did t	he organization make any taxable distributions under section 4966?			9a		
b	Did t	he organization make a distribution to a donor, donor advisor, or related person	? .		9b		
10	Section	on 501(c)(7) organizations. Enter					
а	Initia	ation fees and capital contributions included on Part VIII, line 12	10a				
b		s receipts, included on Form 990, Part VIII, line 12, for public use of club	10b				
	facılı	ties					
11	Secti	on 501(c)(12) organizations Enter					
а	Gros	s income from members or shareholders					
	_	, , , , , , , , , , , , , , , , , , ,	11a				
b		s income from other sources (Do not net amounts due or paid to other sources ast amounts due or received from them)	11b				
	-	, , , , , , , , , , , , , , , , , , ,		1			
		on 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in I	ı lıeu d	of Form 1041?	12a		
b	If "Ye year	es," enter the amount of tax-exempt interest received or accrued during the	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	

			165	140
	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.			
1a	Enter the number of voting members of the governing body 1a 13			
b	Enter the number of voting members that are independent 11			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3		Νο
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		Νο
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		Νo
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
а	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a		Νo
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	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	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13 \cdot .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c		Νο
13	Does the organization have a written whistleblower policy?	13		Νo
14	Does the organization have a written document retention and destruction policy?	14	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			
а	The organization's CEO, Executive Director, or top management official?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	
		TOD	1 62	

Section C. Disclosure

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

 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 JEAN BERGE

500 EAST MARKET STREET IOWA CITY,IA 52245 (319) 339-3238

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

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

- * List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees 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, or 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

The check this box in the organization and i		(C) Position (check all that apply)							(E)	(F)
(A) Name and Title	(B) Average hours per week	Individual Trustee or Chrector	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
							_			

Part VIII Continued

		(C) Position (check all that apply)					(E)	(F)		
(A) Name and Title	(B) Average hours per week	Individual Trustee or Director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
			-							
			1							
				\vdash						
			'	Ш.			>	2,641,708	3 (344,042
2 Total number of individuals (including	those in 1	a) who i	recel			e thai	n ¢ 1	00 000 in reportabl		<u> </u>

Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ►44

			Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee			
	on line 1a? If "Yes," complete Schedule J for such individual	3		Νο
4	For any individual listed online 1a, is the sum of reportable compensation and other compensation from the organizations greater than \$150,000? If "Yes," complete Schedule J for such			
	ındıvıdual	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services			
	rendered to the organization? If "Yes," complete Schedule J for such person	5		Νo

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
CROSS MEDICAL LABORATORIES LLP 2406 TOWNCREST DRIVE IOWA CITY, IA 52244	LABORATORY SERVICES	340,082
ROHRBACH ASSOCIATES PC 325 E WASHINGTON IOWA CITY, IA 52244	ENGINEERING/ARCHITECTURE	294,625
DELOITTE & TOUCHE LLP 50 S 6TH ST MINNEAPOLIS, MN 55402	AUDITING SERVICES	160,032
PHELAN TUCKER MULLEN WALKER TUCKER GELMA BOX 2150 IOWA CITY, IA 52244	LEGAL SERVICES	138,512
Takal musel and fundamental and an advantage fundamental and the same of the s	100,000	
2 Total number of independent contractors (including those in 1) who rec		4

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
	1a	Federated cam	npaigns 1a					
## ## ##	ь	Membership d	ues					
Jrat our			1b					
Contributions, gifts, grants and other similar amounts	С	Fundraising ev	ents 1c					
gitt ar	d	Related organi	zations1d	914,543				
ß,	e	Government gran	ts (contributions) 1e					
i S	f		ions, gifts, grants, and	24,656		i	i	
e Ege		sımılar amounts n	not included above					
ntri d o	g	Noncash contr	ributions included in					
So an		lines 1a-1f \$			020 100			
	h	Total (Add line	es 1a-1f) . . .		939,199			
a)				Business Code				
Ĭ	2a	PATIENT SERV R	EVENUE	621,400	88,482,438	88,482,438		
95 98	b	MEDICARE/MEDIC	CAID	621,400	48,742,187	48,742,187		
э. Т	С	PROGRAM RELAT	REVENUE	621,400	669,865	669,865		
ž	d	PURCHASE DISCO	DUNTS	621,400	549,395	549,395		
35	e	CONTRACT LAB R	EVENUE	621,500	354,500	354,500		
E	f	All other progr	am service revenue		288,868	90,399	198,469	
Program Service Revenue	g	Total. Add line	es 2a-2f					
	3	> \$ 139,087,2	53					
			come (including divi	·	3,663,299			3,663,299
	4		estment of tax-exempt be	▶	, -,			, .,
			sument of tax-exempt b	b-				
	5	Royalties .						
	6-	Carre Banks	(ı) Real 1,702,485	(II) Personal				
	6a b	Gross Rents Less rental	1,263,581					
		expenses						
	С	Rental income or (loss)	438,904					
	d	Net rental inco	ome or (loss)		438,904			438,904
			(ı) Securities	(II) O ther				
	7a	Gross amount from sales of	89,506,114	85,181				
		assets other than inventory						
	ь	Less cost or	100,037,756	89,531				
		other basis and sales expenses						
	С	Gain or (loss)	-10,531,642	-4,350				
	d	Net gain or (lo	ss) 	. ▶	-10,535,992			-10,535,992
	8a	Gross income	from fundraising					
4.		events (not ind \$	cruaing					
ıne		of contribution	s reported on line					
Ve		1c) See Part I Attach Schedule	IV, line 18 e G if total exceeds					
쮼		<i>\$15,000</i>	a					
ē	b	Less directe	xpensesb					
Other Revenue	С	Net income or	(loss) from fundrais	ing events ▶-				
	9a	Gross income		-				
		activities See Complete Sched	part IV , line 19 dule G if total					
		exceeds \$15,00						
			а					
	Ь		xpensesb (loss) from gaming a					
	С	· · ·	(1035) Holli gallillig (► ►				
	10a	Gross sales of returns and all	finventory, less					
		returns and an	a					
	ь	Less cost of g	goods sold b					
	с		(loss) from sales of	inventory				
		Miscellaneou	s Revenue	Business Code				
	11a	CAFETERIA I	NCOME	722,210	778,333			778,333
	ь	MISCELLANE	0 U S	900,099		107,090		
	С	ACCESS		621,400	·	106,868		
	d	All other rever	nue		148,357	133,875		14,482
	e	Total. Add line	es 11a-11d	\$ 1,140,648				
	12	Total Revenue	. Add lines 1h, 2g, 3		134,733,311	139,236,617	198,469	-5,640,974
		8c,	.1e					
	J	ec, ioc, and 1	. r e			l		Form 990 (2008)

Part IX Statement of Functional Expenses

A	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 r	ot 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	151,810	151,810					
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	38,107	38,107					
3	Grants and other assistance to governments, organizations and individuals outside the U.S. See Part IV, lines 15 and 16							
4	Benefits paid to or for members							
5	Compensation of current officers, directors, trustees, and key employees	1,266,742	962,724	304,018				
6	Compensation not included above, to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$							
7	Other salaries and wages	52,341,813	39,997,029					
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)							
9	Other employee benefits	21,792,464	16,159,112	5,633,352				
10	Payroll taxes	4,089,064	3,115,160	973,904				
11	Fees for services (non-employees)							
а	Management							
b	Legal	147,685		147,685				
c	Accounting	145,108		145,108				
d	Lobbying							
e	Professional fundraising See Part IV, line 17							
f	Investment management fees							
g	Other	3,451,055	2,572,909	878,146				
12	Advertising and promotion	886,098	386	885,712				
13	Office expenses	22,843,673	18,810,963	4,032,710				
14	Information technology	2,572,211	456,084	2,116,127				
15	Royalties							
16	Occupancy	2,245,444	141,477	2,103,967				
17	Travel	442,315	220,271	222,044				
18	Payments of travel or entertainment expenses for any Federal, state or local public officials							
19	Conferences, conventions and meetings							
20	Interest	2,673,751	1,486,394	1,187,357				
21	Payments to affiliates							
22	Depreciation, depletion, and amortization	11,565,050	10,301,138	1,263,912				
23	Insurance	1,655,314		1,655,314				
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)							
а	BAD DEBT EXPENSE	3,910,565	3,910,565					
ь	PHARMACY SUPPLIES	2,813,671	2,813,671					
С	FOOD EXPENSE	1,067,022		1,067,022				
d	COLLECTION FEES	846,750	14	846,736				
e	BLOOD BANK FEES - OUTSI	725,477	725,477	·				
f	All other expenses	2,219,479	1,212,755	1,006,724				
25	Total functional expenses. Add lines 1 through 24f	139,890,668	103,076,046	36,814,622	(
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			. , -				

Dart V	Balance	Shoot
Part X	Balance	Sheet

						(A) Beginning of year		(B) End of year
	1	Cash—non-interest-bearing				6,322,659	1	4,130,217
	2	Savings and temporary cash investments	3,561,827	2	4,518,849			
	3	Pledges and grants receivable, net		-,,	3	.,,		
	4	Accounts receivable, net		٠.		21,781,595	4	22,203,644
	5	Receivables from current and former officers, directors, trustee other related parties Complete Part II of Schedule L			oloyees or		5	99,898
	6	Receivables from other disqualified persons (as defined under s persons described in section 4958(c)(3)(B) Complete Part II of	ection	149			6	
	7	Notes and loans receivable, net					7	
	8	Inventories for sale or use			•	3,435,910	8	3,702,045
92	9	Prepaid expenses and deferred charges				1,857,154	9	1,922,370
ssets	10a							
As		Land, buildings, and equipment cost basis	10a		201,903,901			
	b	Less accumulated depreciation <i>Complete Part VI of</i> Schedule D	10ь		126,140,223	77,560,510	10c	75,763,678
	11	Investments—publicly traded securities				128,428,194	11	110,902,442
	12	Investments—other securities See Part IV, line 11 Complete P	art VII	of	•		12	
	13	Investments—program-related See Part IV, line 11 Complete F of Schedule D .		1,323,814	13	1,292,014		
	14	Intangible assets					14	
	15	Other assets See Part IV, line 11 Complete Part IX of Schedule D	36,368,523	15	36,321,205			
	16	Total assets. Add lines 1 through 15 (must equal line 34)				280,640,186	16	260,856,362
	17	Accounts payable and accrued expenses .				14,440,340	17	11,938,254
	18	Grants payable		18				
	19	Deferred revenue					19	
	20	Tax-exempt bond liabilities				65,561,794	20	64,492,482
es	21	Escrow account liability Complete Part IV of Schedule D					21	
Liabilities	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified						
Lia		persons Complete Part II of Schedule L					22	
_	23	Secured mortgages and notes payable to unrelated third parties		640,335	23	540,685		
	24	Unsecured notes and loans payable			24			
	25	Other liabilities Complete Part X of Schedule D		30,014,784	25	54,435,691		
	26	Total liabilities. Add lines 17 through 25				110,657,253	26	131,407,112
5		Organizations that follow SFAS 117, check here ▶ 🔽 and comp	olet e li	ines	27			
Э		through 29, and lines 33 and 34.						
lan	27	Unrestricted net assets				169,982,933	27	129,449,250
Balance	28	Temporarily restricted net assets					28	
μ	29	Permanently restricted net assets					29	
or Fund		Organizations that do not follow SFAS 117, check here ► arlines 30 through 34.	te					
	30	Capital stock or trust principal, or current funds	•				30	
Assets	31	Paid-in or capital surplus, or land, building or equipment fund			31	_		
As	32	Retained earnings, endowment, accumulated income, or other fu	ınds				32	
Net	33	Total net assets or fund balances				169,982,933	33	129,449,250
	34	Total liabilities and net assets/fund balances				280,640,186	34	260,856,362
Da	rt VI	Financial Statements and Reporting						

Dowl VI	Financial	Ctatamanta	and Reporting
7.11.5	l Financiai	Statements	and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		Νo
b	Were the organization's financial statements audited by an independent accountant?			Νο
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		Νo
b	If "Yes," did the organization undergo the required audit or audits?	3b		

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As Filed Data -

DLN: 93493134043040

OMB No 1545-0047

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.

Open to Public Inspection

		ne organizati TTAL IOWA CIT						Em	ıployer ide	ent if icat io	n numbe	r	
MERC	T HUSP	TIAL IOWA CIT	Y IOWA					42	-068039	1			
Pa	rt I	Reason	for Public C	harity Status (to be co	mpleted	by all or	ganızatıo						
The	organi	zation is not	a private found	ation because it is (Please	check on	ly one org	anızatıon)		•			
1	Γ	A church, o	onvention of cl	nurches, or association of ch	nurches d	escribed ii	Section :	170(b)(1)	(A)(i).				
2	Γ	A school d	escribed in Sec	tion 170(b)(1)(A)(ii). (Atta	ch Schedı	ule E)							
3	<u>~</u>	A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii). (Attach Schedule H)											
4	Γ	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	Г	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in											
_	•			(Complete Part II)		,		, - 3					
6	Г			overnment or governmental	unit desc	rıbed ın S e	ction 170	(b)(1)(A)	(v).				
7	Ē	-		ally receives a substantial p					= =	n the gene	eral publ	С	
		_		o)(1)(A)(vi) (Complete Par			ū			_	·		
8	Г	A commun	ıty trust descrit	ped in Section 170(b)(1)(A)	(vi) (Con	nplete Par	tII)						
9	Γ	An organiza	ation that norm	ally receives (1) more than	331/3%	of its supp	ort from c	ontribution	ns, membe	ership fees	s, and gr	oss	
		receipts fro	om activities re	lated to its exempt functions	s—subject	t to certaii	n exceptio	ns, and (2) no more	than 331,	/3% of		
		ıts support	from gross inv	estment income and unrelate	ed busine	ss taxable	ıncome (l	less sectio	on 511 ta:	x) from bu	sinesses	5	
		acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III)											
10	\sqcap	An organiza	atıon organızed	and operated exclusively to	test for p	ublic safe	ty See Se	ection 509	(a)(4). (S	ee ınstruc	tions)		
11	,	one or more the box tha	e publicly supp	and operated exclusively foorted organizations describe type of supporting organiza	d in secti tion and c	on 509(a)	(1) or sec ines 11e t	tion 509(a hrough 11	a)(2) See	Section 5). Check	
e	Γ	•	foundation man	rtify that the organization is agers and other than one or			•			•			
f		If the organ	nization receive box	d a written determination fro as the organization accepte						supporti	ng organ	zation,	
g		following pe		as the organization accepte	a any gnt	or continb	ation nom	ally of the	-				
		(i) a perso	n who directly o	r indirectly controls, either a	alone or t	ogether wi	th persons	s describe	d ın (ıı)		Yes	No	
		and (III) be	low, the govern	ng body of the the supported	d organıza	ition?				11g	(i)		
		(ii) a family	y member of a p	erson described in (i) above	?					11g	(ii)		
		(iii) a 35% controlled entity of a person described in (i) or (ii) above?											
h		Provide the	e following infor	mation about the organizatio	ons the or	ganızatıon	supports						
Supp		ame of (ii) EIN (iii) Type of organization (described on lines 1-9 above or IRC section (See Instructions))		1	organization in the orga		the orga ın col (i	ou notify anization i) of your port?	zatıon organız of your col (i) o		1	vii) A mount of support?	
					Yes	No	Yes	No	Yes	No	1		
					† 	1	1	<u> </u>	 	<u> </u>			
								1	1	1	1		

Total

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.)

Pι	ıblic Support		, ,	,				
Cale	endar 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 The value of services or facilities					 		
3	furnished by a governmental unit to the							
	organization without charge							
4	Total. Add line 1-3					1		
5	The portion of total contribution by each							
5	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							
	otal Support		1		T			
	endar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) :	2008	(f) Total
7	A mounts 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							
10	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 instructio	ns)		•	12		
13	First Five Years. If the Form 990 is for the	organization's f	irst second thu	d fourth or fifth	ntay vearas a F		3)	
	organization, check this box and stop here		mat, second, tim	u, rouren, or mer	rtax year as a s	/O1(C)(C	• •	▶ □
								•
Co	omputation of Public Support Perc	entage						
14	Public Support Percentage for 2008 (line 6	5 column (f) dıvı	ded by line 11 c	olumn (f))		14		
15	Public Support Percentage for 2007 School	dule A , Part IV -	A, line 26f			15		
16a	33 1/3% Test - 2008. If the organization di	d not check the	box on line 13.	and line 14 is 3	3 1/3% or more.		this box	
	and stop here. The organization qualifies a				,			▶ □
b	33 1/3% Test - 2007. If the organization d				15 is 33 1/3% d	r more,	check th	
	box and stop here. The organization qualifi	es as a publicly	supported orga	nızatıon				▶ □
17a	10% Facts and Circumstances Test - 2008.							
	more, and if the organization meets the "fa		•					· —
	organization meets the "facts and circums							► □
Ь	10% Facts and Circumstances Test - 2007.							
	more, and if the organization meets the "fa		•					_
4.0	the organization meets the "facts and circu							n ▶
18	Private Foundation. If the organization did	not check the b	oux on line 13, 1	oa, 160, 1/a or	1/D, check this	oox an	u see	▶ □
	ınstructions							F-1

Pa	Support Schedule for On (Complete only if you ched				(2)		
	ction A. Public Support		_	,			
Cale	ndar 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						
2	include any "unusual grants ") Gross receipts from admissions,						
2	merchandise sold or services performed,						
	or facilities furnished in any activity that						
	is related to the organization's tax-						
	exempt purpose						
3	Gross receipts from activities that are						
	not an unrelated trade or business under						
	section 513						
4	Tax revenues levied for the						
	organization's benefit and either paid to						
	or expended on its behalf						
5	The value of services or facilities						
	furnished by a governmental unit to the						
_	organization without charge						
6	Total Add lines 1-5						
7a	A mounts included on lines 1, 2, and 3						
	received from disqualified persons Amounts included on lines 2 and 3						
D	received from other than disqualified						
	persons that exceed the greater of 1% of						
	the total of lines 9, 10c, 11, and 12 for						
	the year or \$5,000						
c	Total of lines 7a and 7b						
8	Public Support (Substract line 7c from						
_	line 6)						
То	tal Support						
Cale	ndar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9	A mounts from line 6						
10a	Gross income from interest, dividends,						
	payments received on securities loans,						
	rents, royalties and income from similar						
	sources						
b	Unrelated business taxable income (less						
	section 511 taxes) from businesses						
	acquired after 30 June, 1975		+				
С	Add lines 10a and 10b						
11	Net income from unrelated business						
	activities not included in line 10b, whether or not the business is regularly						
	carried on						
12	Other income Do not include gain or loss						
	from the sale of capital assets						
	(Explain in Part IV)						
13	Total Support (Add lines 9, 10c, 11 and						
	12)						
14	First Five Years If the Form 990 is for the	organızatıon's fı	rst, second, thir	d, fourth, or fifth	ntax year as a 5	01(c)(3) organı	zation,
	check this box and stop here						▶ □
	monutation of Dublic Compant Days						
15	mputation of Public Support Perc Public Support Percentage for 2008 (line		dod by line 12 o	olumn (fl)		T 4= T	
			•	.orumin (1))		15	
16	Public Support Percentage for 2007 Sche	dule A , Part IV -	A, line 27g			16	
		D					
Co	mputation of Investment Income Investment Income Percentage for 2008 (ne 13 column /f	<u> </u>	17	
	-			-	"	17	
ΤQ	Investment Income Percentage from 2007	ocnequie A , Pa	TLIV-A, IINE 2/	H		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 **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

Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Schedule A (Form 990 or 990-EZ) 2008

▶□

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 A (Form 990 or 990-EZ) 2008

Software ID: Software Version:

EIN: 42-0680391

Name: MERCY HOSPITAL IOWA CITY IOWA

Form 990, Part VII - Section Aaa

Form 990, Part VII - Section Aaa										
		Posit t	(C non (d hat a	chec		I			(E)	(F)
(A) Name and Title	(B) Average hours per week	Individual Trustee or Director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W- 2/1099MISC)	Reportable compensation from related organizations (W- 2/1099- MISC)	Estimated amount of other compensation from the organization and related organizations
MARK DANIELSON , BOARD MEMBER	1 00	Х						0	0	0
GERALDINE FELTON , BOARD MEMBER	1 00	Х						0	0	0
SCOTT FISHER , BOARD MEMBER	1 00	Х						0	0	0
NYLE KAUFFMAN MD , BOARD MEMBER	1 00	Х						0	0	0
SR SHARON KERRIGAN , BOARD MEMBER	1 00	Х						0	0	0
TIM KRUMM , BOARD MEMBER	1 00	X						0	0	0
SR PATRICIA MURPHY , BOARD MEMBER	1 00	Х						0	0	0
DICK OBERMAN , BOARD MEMBER	1 00	Х						0	0	0
MARK PHILLIPS , BOARD MEMBER	1 00	Х						0	0	0
CYNDIE SCHMEISER, BOARD MEMBER	1 00	X						0	0	0
MARY WESTABROOK , BOARD MEMBER	1 00	Х						0	0	0
SR MARGARET WRIGHT , BOARD MEMBER	1 00	Х						0	0	0
RONALD R REED , PRESIDENT & CEO	40 00	Х		Х				392,228	0	50,535
JEAN M BERGE , DIRECTOR, FISCAL MGMT	40 00			х				134,989	0	32,898
CATHERINE H ABRAMS , VP NURSING	40 00			Х				130,395	0	30,569
MICHAEL G HEINRICH , EXECUTIVE VP & CFO	40 00			х				260,713	0	30,273
THOMAS R CLANCY , VP STRATEGIC PROJECTS	8 00			х				167,277	0	36,865
PHILIP T BARNS MD , PHYSICIAN	40 00					Х		261,756	0	
MARTIN IZAKOVIC MD , PHYSICIAN	40 00					Х		326,345	0	
DAVID KRUPP MD , PHYSICIAN	40 00					Х		262,906	0	21,812
STEPHEN J SCHECKEL MD , PHYSICIAN	40 00					Х		292,173	0	28,359
PETER WALLACE MD , VP MEDICAL STAFF AFFAIRS	40 00					х		412,926	0	67,958

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a PATIENT SERV REVENUE	621,400	88,482,438	88,482,438		
b MEDICARE/MEDICAID	621,400	48,742,187	48,742,187		
c PROGRAM RELAT REVENUE	621,400	669,865	669,865		
d PURCHASE DISCOUNTS	621,400	549,395	549,395		
e CONTRACT LAB REVENUE	621,500	354,500	354,500		

OMB No 1545-0047

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

Open to Public

					Inspection
		s," to Form 990, Part IV, Line 3, o		art VI, line 46 (Political (Campaign Activities)
		mplete Parts I-A and B Do not comple		D	
	ection 501(c) (other than section 5 ection 527 organizations-complete	501(c)(3)) organizations complete Pa	rts I-A and C below	V Do not complete Part I-E	}
		s," to Form 990, Part IV, Line 4, o	Form 990FZ. Pa	rt VI. line 47 (Lobbyina	Activities)
	-	t have filed Form 5768 (election under		,	•
		t have NOT filed Form 5768 (election i	,	h)) Complete Part II-B Do	not complete Part II-A
		s," to Form 990, Part IV, Line 5 (P	roxy Tax)		
	ection 501(c)(4), (5), or (6) organi me of the organization	zations complete Part III		Employer ide	entification number
	RCY HOSPITAL IOWA CITY IOWA			Linployer ide	intification number
B -				42-068039	
Par		by all organizations exempt e the instructions for Schedule		1 501(c) and section	1 52/
1	Provide a description of the or	ganızatıon's dırect and ındırect polıt	cal campaign act	ivities in Part IV	
2	Political expenditures				\$
3	V olunteer hours				
Dar	+ T-P. To be completed b	y all organizations exempt	under section	• F01(c)(3) (Soo the	
F G	for Schedule C for d		under section	1 301(c)(3). (See the	; mstructions
1	Enter the amount of any excise	e tax incurred by the organization un	der section 4955		\$
2	Enter the amount of any excise	e tax incurred by organization manag	jers under section	1 4955	\$
3	If the organization incurred in	a section 4955 tax, did it file Form 4	720 for this year	7	┌ Yes ┌ No
4a	Was a correction made?				┌ Yes ┌ No
b	If "Yes," describe in Part IV				
Par		y all organizations exempt for Schedule C for details.)	under section	1 501(c), except see	ction 501(c)(3).
1	Enter the amount directly expe	ended by the filing organization for se	ection 527 exemp	t function activities	\$
2		organization's internal funds contribu	ted to other organ	nizations for section	
	527 exempt funtion activities				\$
3	Total of direct and indirect exe 1120-POL, line 17b	empt function expenditures Add line	s 1 and 2 and ent	er here and on Form	\$
4	Did the filing organization file i	Form 1120-POL for this year?			│ Yes │ No
5	were made Enter the amount p political contributions received	nd Employer Identification Number (paid and indicate if the amount was p d and promptly and directly delivered action committee (PAC) If additiona	aid from the filing I to a separate po	organization's own interr litical organization, such	nal funds or were as a separate
	(a) Name	(b) Address	(c) EIN	(d) A mount paid from filing organization's internal funds If none enter - 0 -	contributions received

50	nedule C (Form 550 of 550 EZ) 2000						raye Z
Р	art II-A To be completed by (election under sec						768
	Check / If the filing organization			ctions for Sche	dule C for deta	1115. /	
B	Check If the filing organization	checked box A an	d "limited contro	l" provisions app	ly		T
	Limits on Lo (The term "expenditure	bbying Expendes" means amounts		.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influe	nce public opinion	(grass roots lob	bying)			
b	Total lobbying expenditures to influe	ence a legislative b	ody (direct lobby	ring)			
c	Total lobbying expenditures (add line	es 1a and 1b)					
d	Other exempt purpose expenditures						
е	Total exempt purpose expenditures	(add lines 1c and	1 d)				
f	columns—		ne following table	ın both			
	If the amount on line 1e, column (a) or (b) is: Not over \$500,000	The lobbying nor 20% of the amount		is:			
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15%	of the excess over \$	500,000			
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10%	of the excess over \$	1,000,000			
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% o	f the excess over \$1	,500,000			
	Over \$17,000,000	\$1,000,000					
	Grassroots nontaxable amount (ente	er 25% of line 1f)					
h	Subtract line 1g from line 1a Enter	-0- ıf lıne g ıs more	than line a				
i	Subtract line 1f from line 1c Enter -	0- ıflıne fıs more	than line c				
j	If there is an amount other than zero section 4911 tax for this year?	on either line 1h o	or line 11, did the	organization file	Form 4720 repo	ting	┌ Yes ┌ No
	(Some organizations tha columns below. 9		on 501(h) el	ection do not	have to com		ne five
	Lobb	ying Expendit	ures During	4-Year Avera	ging Period		
	Calendar year (or fisca	l year	(3) 2005	(b) 2006	(c) 2007	(4) 2008	(a) Total

	Lobbying Expenditures During 4-Year Averaging Period					
	Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a	Lobbying non-taxable amount					
b	Lobbying ceiling amount (150% of line 2a, column(e))					
c	Total lobbying expenditures					
d	Grassroots non-taxable amount					
e	Grassroots ceiling amount (150% of line d, column (e))					
f	Grassroots lobbying expenditures					

Part II-B	To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form	
	5768 (election under section 501(h)). (See the instructions for Schedule C for details.)	

		(a)		(b)	
		Yes	No	A mount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
а	Volunteers?		No		
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		Νο		
С	Media advertisements?		Νo		
d	Mailings to members, legislators, or the public?		Νo		
е	Publications, or published or broadcast statements?		Νo		
f	Grants to other organizations for lobbying purposes?		Νo		
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		Νo		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		Νo		
i	Other activities If "Yes," describe in Part IV	Yes		28,558	
j	Total lines 1c through			28,558	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		Νo		
b	If "Yes" enter the amount of any tax incurred under section 4912				
С	If "Yes" enter the amount of any tax incurred by organization managers under section 4912				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				
Par	t III-A. To be completed by all organizations exempt under section $501(c)(4)$	section	501(c)(5) or	

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). (See the instructions for Schedule C for details.)

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." (See the instructions for Schedule C for details.)

2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	
а	Current Year	2a \$
b	Carryover from last year	2b \$
c	Total	2c \$
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3 \$
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4 \$

Part IV Supplemental Information

Dues, assessments and similar amounts from members

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)

Ident if ier	Return Reference	Explanation
Part II-B, Line 1i	Activities	Mercy Hospital, Iowa City, Iowa is a member of the Iowa Hospital Assoication (IHA) A percentage of membership dues paid to IHA relate to lobbying activitives

1 \$

5 \$

Part IV Supplemental Information					
Ident if ier	Return Reference	Explanation			

Schedule C (Form 990 or 990EZ) 2008

OMB No 1545-0047

Open to Public Inspection

SCHEDULE D (Form 990)

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.

Supplemental Financial Statements

Name of the organization

Employer identification number

MERCY HOS	PITAL IOWA CITY IOWA		. ,
Dowl-T-	Overvientions Maintaining David A	duined Funds on Other Circles F	42-0680391
Part I	Organizations Maintaining Donor Acorganization answered "Yes" to Form 99		ings or Accounts. Complete if the
	e.ga.neadon anomoroa 100 to 101111 22	(a) Donor advised funds	(b) Funds and other accounts
. Total	number at end of year		
. Aggre	gate Contributions to (during year)		
Aggre	gate Grants from (during year)		
Aggre	gate value at end of year		
	ne organization inform all donors and donor advi are the organization's property, subject to the		or advised Yes No
used	ne organization inform all grantees, donors, and only for charitable purposes and not for the ben		
Imper Part II	Conservation Easements Complete	if the organization answered "Ves" to	<u> </u>
	<u> </u>		5 FOITH 990, Part IV, line 7.
	ose(s) of conservation easements held by the operation of land for public use (e.g., recreation of natural habitat	ion or pleasure)	historically importantly land area rtified historic structure
	Preservation of open space		
	plete lines 2a-2d if the organization held a qual e last day of the tax year	ified conservation contribution in the form	of a conservation easement
OII till	e last day of the tax year		Held at the End of the Yea
a Tota	ıl number of conservation easements		2a
			2b
	il acreage restricted by conservation easement		
_	iber of conservation easements on a certified h		2c
	nber of conservation easements included in (c)	•	2d
Numb	per of conservation easements modified, transfe	erred, released, extinguished, or terminate	d by the organization during
the ta	axable year 🕨		
Numb	per of states where property subject to conserva	ation easement is located ►	
	the organization have a written policy regarding cement of the conservation easements it holds?		ations, and Yes No
Staff	or volunteer hours devoted to monitoring, inspe	cting and enforcing easements during the	year ►
A mou	unt of expenses incurred in monitoring, inspecti	ng, and enforcing easements during the ye	ear ► \$
	each conservation easement reported on line 2 h)(4)(B)(i) and 170(h)(4)(B)(ii)?	2 (d) above satisfy the requirements of sec	tion Yes No
balan	rt XIV, describe how the organization reports c ce sheet, and include, if applicable, the text of t rganization's accounting for conservation easer	the footnote to the organization's financial	·
art III	Organizations Maintaining Collection Complete of the organization answered		or Other Similar Assets.
art, h	organization elected, as permitted under SFAS istorical treasures, or other similar assets held de, in Part XIV, the text of the footnote to its fir	for public exhibition, education or research	ch in furtherance of public service,
histo	organization elected, as permitted under SFAS rical treasures, or other similar assets held for de the following amounts relating to these items	public exhibition, education, or research ii	•
(i) _{Re}	evenues included in Form 990, Part VIII, line 1		► \$
(ii) A	ssets included in Form 990, Part X		► \$
Ifthe	organization received or held works of art, hist ling amounts required to be reported under SFA	•	or financial gain, provide the
a Reve	nues included in Form 990, Part VIII, line 1		▶ \$

b Assets included in Form 990, Part X

<u>ar</u>	Organizations Maintaining Collections of Art,	His	tori	cal Treasu	res, or Othe	<u>er Similar Ass</u>	ets (co	ntınued)	
3	Using the organization's accession and other records, check any items (check all that apply)	of th	e foll	owing that are	a significant i	use of its collectio	n		
а	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 Part XIV	n hov	v they	further the o	rganızatıon's e	xempt purpose in			
5	During the year, did the organization solicit or receive donations assets to be sold to raise funds rather than to be maintained as p						Yes	┌ No	
Pa	rt IV Trust, Escrow and Custodial Arrangements. (nızatıon ansv	vered "Yes" to F	orm 9	90,	
	Part IV, line 9, or reported an amount on Form 990), Pa	art X	, line 21.					
1a	Is the organization an agent, trustee, custodian or other intermed included on Form 990, Part X?	diary	for c	ontributions o	r other assets		Yes	┌ No	
b	If "Yes," explain why in Part XIV and complete the following table	9							
						A mo	unt		
C	Beginning balance				1c				
d	Additions during the year				1d				
е	Distributions during the year				1e				
f	Ending balance				1 f				
2a	Did the organization include an amount on Form 990, Part X, line 21?								
	If "Yes," explain the arrangement in Part XIV								
Pa	rt V Endowment Funds. Complete if the organization								
	Beginning of year balance	(b) Prior	Year (c)Tw	o Years Back (d	Three Years Back (e)Four Ye	ears Back	
1a									
b	Contributions								
с	Investment earnings or losses2,231,983								
d	Grants or scholarships								
е	Other expenditures for facilities and programs								
f	Administrative expenses								
g	End of year balance 9,665,745								
2	Provide the estimated percentage of the year end balance held as	S							
а	Board designated or quasi-endowment F 79 000 %								
Ь	Permanent endowment > 21 000 %								
c	Term endowment 🕨								
3a	Are there endowment funds not in the possession of the organization	tion t	that a	re held and a	dmınıstered foı	the .			
	organization by						Yes	No	
	(i) unrelated organizations					3a(i)		Νo	
	(ii) related organizations					3a(ii)	+	No	
	If "Yes" to 3a(II), are the related organizations listed as required					3b	Yes		
4	Describe in Part XIV the intended uses of the organization's endo				t. V . b				
' (3)	rt VI Investments—Land, Buildings, and Equipmen	ιτ. 5							
	Description of investment			Cost or other s (investment)	(b)Cost or other basis (other)	(c) Depreciation	(d) Boo	k value	
1a	Land			6,234,374				6,234,374	
	Buildings	•		108,368,092		62,190,252		6,177,840	
	Leasehold improvements			589,029		529,001	•	60,028	
	Equipment			65,244,703		48,131,368	1	7,113,335	
							6,178,101		
				, ,					

75,763,678

Part VIII Investments—Other Securities. See	Form 990, Part X, line 12	⊻	
(a) Description of security or cateory (including name of security)	(b)Book value		d of valuation · year market value
Financial derivatives and other financial products			7
Closely-held equity interests			
Other			
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) 🕨			
Part VIII Investments—Program Related. Se	e Form 990, Part X, line 1		
(a) Description of investment type	(b) Book value		d of valuation -year market value
		Cost of end-of-	year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)			
Part IX Other Assets. See Form 990, Part X, II			
(a) Descri			(b) Book value
BENEFICIAL INTEREST-FOUNDATION			10,279,782
DUE FROM AFFILIATE			4,294,487
CASH VALUE LIFE INSURANCE			740,143
DEFERRED FINANCING COST OTHER ASSETS			706,793
INVESTMENT IN AFFILIATES			20,300,000
Total. (Column (b) should equal Form 990, Part X, col.(B) line	<u>'</u>		36,321,205
Part X Other Liabilities. See Form 990, Part	T I		
(a) Description of Liability	(b) A mount		
Federal Income Taxes	<u> </u>		
ESTIMATED 3RD PARTY PAYABLE	48,301		
PENSION BENEFIT LIABILITY	53,234,970		
FAIR VALUE OF INTEREST RATE SWAP	1,121,047		
OTHER LT LIABILITIES	31,373		
	 		
	 		
Total (Column (h) should asset Farm 000, 2nd V and (2) to 25)			
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	54,435,691		

Total revenue (Form 990, Part VIII, column (A), line 12)

134,733,311

2	Total expenses (Form 990, Part IX, column (A), line 25)	2	139,890,668
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-5,157,357
4	Net unrealized gains (losses) on investments	4	-7,068,062
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-28,308,264
9	Total adjustments (net) Add lines 4 - 8	9	-35,376,326
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-40,533,683
Par	t XII Reconciliation of Revenue per Audited Financial Statements With Revenue p	er R	eturn
1	Total revenue, gains, and other support per audited financial		100,955,595
_	statements	1	
2	A mounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments		
b	Donated services and use of facilities		
C	Recoveries of prior year grants		
d	Other (Describe in Part XIV)	20	E 010 669
е 3	Subtract line 2e from line 1	2e 3	-5,910,668 106,866,263
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		100,000,203
a	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
ь	Other (Describe in Part XIV) 4b 27,867,048		
c	Add lines 4a and 4b	4c	27,867,048
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	134,733,311
Part	XIII Reconciliation of Expenses per Audited Financial Statements With Expenses	per	<u> </u>
1	Total expenses and losses per audited financial statements	1	142,211,390
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
а	Donated services and use of facilities		
b	Prior year adjustments		
c	Losses reported on Form 990, Part IX, line 25		
d	Other (Describe in Part XIV)		
e	Add lines 2a through 2d	2e	2,479,506
3	Subtract line 2e from line 1	3	139,731,884
4	A mounts included on Form 990, Part IX, line 25, but not on line 1:		
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b	Other (Describe in Part XIV)		
c	Add lines 4a and 4b	4с	158,784
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	139,890,668
	t XIV Supplemental Information		

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

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

Ident if ier	Return Reference	Explanation
Part XI, Line 8 - O ther Adjustments		CHANGE IN UNRECOGNIZED PENSION ACTUARIAL LOSS (\$23,386,900) CHANGE IN ACTURIAL LOSS FROM CURTAILMENT REMEASUREMENT (\$1,940,075) CHANGE IN BENEFICIAL INTEREST IN FOUNDATION (\$2,381,289) TRANSFER TO MERCY HOSPITAL SELF INSURANCE PLAN AND TRUST \$(600,000)
Part XII, Line 2d - Other Adjustments		TRUST INCOME ON AUDIT REPORT \$46,104 RENTAL EXPENSES \$1,258,181
Part XII, Line 4b - Other Adjustments		FOUNDATION CONTRIBUTION \$6,974 RECLASSIFIED EXPENSE \$151,810 CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION \$2,381,289 CHANGE IN ACTURIAL LOSS FROM CURTAILMENT REMEASUREMENT \$1,940,075 CHANGE IN UNRECOGNIZED PENSION ACTUARIAL LOSS \$23,386,900
Part XIII, Line 2d - Other Adjustments		TRUST EXPENSES \$1,221,325 RENTAL EXPENSES \$1,258,181
Part XIII, Line 4b - Other Adjustments		MISCLASSIFIED EXPENSE IN AUDIT \$151,810 FOUNDATION CONTRIBUTION \$6,974
		Mercy adopted the provisions of FIN No 48 in fiscal 2008 As a result of the implementation of FIN No 48, and as of June 30, 2009, Mercy recorded no liabilities for unrecognized tax benefits Mercy is engaged in certain activities that result in unrelated business income

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DLN: 93493134043040

OMB No 1545-0047

Open to Public **Inspection**

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization MERCY HOSPITAL IOWA CITY IOWA

Employer identification number

Pa	ITE Charity Care and	l Certain O	ther Com	munity Benefits a		- 2008)			
					<u> </u>	2000)		Yes	No
1a	Does the organization have a	charity care	policy? If "N	lo," skip to question 6a			1a		-
b	If "Yes," is it a written policy	?					1b		
2	If the organization has multip care policy to the various ho		ındıcate whic	ch of the following best	describes application	of the charity			
	Applied uniformly to all he Generally tailored to indiv	ospitals vidual hospita	ls	Applied uniforml	y to most hospitals				
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients								
а	Does the organization use Fe income individuals? If "Yes,"						3a		
	Γ _{100%} Γ _{150%}	Г	00%	Cother	<u>%</u>				
b	Does the organization use FP "Yes," indicate which of the f						3ь		
	Г 200% Г 250%	Г 300	% Г	350% Г 400	0%	%			
c	c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.								
4									
5a	Does the organization budget	t amounts for	free or disco	unted care provided ui	nder its charity care po	olicy?	5a		
b	If "Yes," did the organization	's charity car	e expenses	exceed the budgeted a	mount?		5b		
c	If "Yes" to line 5b, as a resul care to a patient who was elig	-		. •	•		5c		
6a	Does the organization prepar	e an annual c	ommunity be	enefit report?			6a		
6b	If "Yes," does the organization	on make it ava	ailable to the	public?			6b		
	Complete the following table worksheets with the Schedule		ksheets prov	rided in the Schedule F	I instructions Do not s	submit these			
7	Charity Care and Certain C	ther Commu	nıty Benefits	at Cost					
	Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community b expense	enefit	(f) Pero total ex	
а	Charity care at cost (from worksheets 1 and 2)								
b	Unreimbursed Medicaid (from worksheet 3, column a)								
С	Unreimbursed costs—other means-tested government programs (from worksheet 3, column b)								
d	Total Charity Care and Means-Tested Programs .								
e	Other Benefits								
	Health professions education (from worksheet 5)								
g	Subsidized health services (from worksheet 6)								
h	Research (from worksheet 7)								
	Cash and in-kind contributions to community groups (from worksheet 8)								
-	Total Other Benefits								
K	Total (line 7d and 7j)								

	rt II Community Building activities) (Optional		(b) Persons served (optional)	(c) Total communit	-	Direct offse revenue		(e) Net commur building expens	nity	(f) Percer total expe	nt of
1	Physical improvements and housing										
2	Economic development										
3	Community support										
4	· · · · · · · · · · · · · · · · · · ·										
5	Leadership development and training for community members										
- 6	Coalition building Community health improvement										
	advocacy										
8	Workforce development										
9	Other Total							+			
	rt IIII Bad Debt, Medicar	e. & Colle	ction Prac	l tices (Ontional :	or 2008)						
		<u> </u>		() p	<u>,</u>						
Sect	ion A. Bad Debt Expense									Yes	No
1	Does the organization report by Statement No. 15?			dance with Heathca	re Financia	ıl Manaç	emer	nt Association	1		
2	Enter the amount of the organ			e (at cost)		2	•				
3	Enter the estimated amount o	_			•	3					
_	attributable to patients eligible								1		
4	Provide in Part VI the text of t In addition, describe the costi for including other bad debt ar	ng methodolo	ogy used in d	etermining the amo				•			
Sect	ion B. Medicare					1					
5	Enter total revenue received f					. 5			1		
6	Enter Medicare allowable cost					. 6			1		
7 8	Enter line 5 less line 6—surp Describe in Part VI the extent the costing methodology or so following methods was used	to which any	shortfall rep	orted on line 7 sho	uld be trea				-		
	Cost accounting system	Γc	ost to charge	e ratio	C O ther						
Sect	ion C. Collection Practices										
9a	Does the organization have a	written debt o	collection pol	ıcy?					9a		
9b Pa	If "Yes," does the organization patients who are known to quart IV Management Com	lify for charit	y care or fina	ncial assistance? I	Describe in	Part V I			9b		_
	(a) Name of entity	(b) Description activity of		profit ^c	anizatio % or sto ership %	ck	(d) Officers, directors trustees, or key employees' profit % or stock ownership%	profit	Physiciar : % or sto iership %	oc k
1											
2							\top				
							+				
4											
5							+				
							_				
6											
7											
8											
9											
10											
11							\dashv				
12		+					+				
13							+				
14							+				
		İ									

Schedule H (Form 990) 2008	201								Page 3
Part V Facility Information (Required for 200	18) '	1	1	1	1	1		1	<u> </u>
Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
MERCY HOSPITAL IOWA CITY IOWA 500 EAST MARKET STREET	×	x					х		SKILLED NURSING AND LAB
IO WA CITY, IA 52245	^								OUTREACH
		1		·		1			1

P	art VI S	Supplemental Information (Optional for 2008)
Со	mplete this	part to provide the following information
1	Provide th	e description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b
_		
_		
_		
_		
_		
_		
2	Needs Ass	essment. Describe how the organization assesses the health care needs of the communities it serves
_		
_		
3		lucation of Eligibility for Assistance. Describe how the organization informs and educates patients and persons who may be atient care about their eligibility for assistance under federal, state, or local government programs or under the organization's re policy
_		
4		y Information. Describe the community the organization serves, taking into account the geographic area and demographic its it serves
_		
5		y Building Activities. Describe how the organization's community building activities, as reported in Part II, promote the health munities the organization serves
6		y other information important to describing how the organization's hospitals or other health care facilities further its exempt y promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
_		
_		
7		nization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in the health of the communites served
_		
8	Ifapplicab	le, identify all states with which the organization, or a related organization, files a community benefit report

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -

Schedule I (Form 990)

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

OMB No 1545-0047

2008

DLN: 93493134043040

Open to Public

Department of the Treasury Internal Revenue Service Name of the organization

MERCY HOSPITAL IOWA CITY IOWA

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

Open to Public Inspection

Employer identification number

42-0680391

Part I General Inform	nation on Gran	nts and Assistance				I	
Does the organization ma the selection criteria usedDescribe in Part IV the or	d to award the gran	ts or assistance?					✓ Yes
Form 990, Part I Part IV and Scho	V, line 21 for an edule I-1 if addit	to Governments ar y recipient that receivional space is	ved more than \$5,00	0. Check this box if	f no one recipient rec	eived more than \$5,0	
1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) A mount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY4080 1ST AVE NE CEDAR RAPIDS, IA 52402	13-1788491	501(C)(3)	8,334		COST		HOPE LODGE FUND
IOWA CITY COMMUNITY SCHOOL DISTRICT509 S DUBUQUE STREET IOWA CITY,IA 52240	42-6023567	GOVERNMENT ENTITY	10,000		COST		GENERAL SUPPORT
UNITED WAY OF JOHNSON COUNTY1150 5TH STREET SUITE 290 CORALVILLE,IA 52241	42-6062055	501(C)(3)	7,500		COST		FLOOD RELIEF SUPPORT
COMMUNITY FOUNDATION OF JOHNSON COUNTY325 E WASHINGTON STREET IOWA CITY,IA 52240	42-1508117	501(C)(3)	100,000		COST		HEALHTY KIDS FUND
IOWA CITY FREE MEDICAL CLINIC2440 TOWNCREST DRIVE IOWA CITY,IA 52240	42-0960955	501(C)(3)	15,500		COST		GENERAL SUPPORT
							_
2 Enter total number of seconganizations							5
3 Enter total number of other							0
For Paperwork Reduction Act Noti	ce, see the Instructi	ions for Form 990.		Cat No 50055P		Sch	nedule I (Form 990) 2008

Schedule I	(Form 990) 2008
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)A mount of cash grant	(d)A mount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
TEMPORARY ASSISTANCE PROGRAM	52	38,107	0	COST	

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

See Additional Data Table

Ident if ier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	,	Schedule I, Part I, Line 2 All organizations Mercy provides assistance to are local organizations. Therefore, Mercy is in frequent contact with the organizations and is generally aware of their use of Mercy's assistance. However, there is no formal mechanism in place to track specific uses of the assistance. Mercy Hospital offers a Temporary Assistance Program (TAP) for emergency financial needs that employees may have. This confidential program offers crisis assistance and health benefit assistance.

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493134043040

OMB No 1545-0047

Schedule J (Form 990)

Compensation Information

2008

Department of the Treasury Internal Revenue Service

Compensated Employees ► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

For certain Officers, Directors, Trustees, Key Employees, and Highest

Open to Public Inspection

Name of the organization MERCY HOSPITAL IOWA CITY IOWA **Employer identification number**

42-0680391

Рa	Questions Regarding Compensation	<u>n </u>				
					Yes	Νo
1a	Check the appropriate box(es) if the organization pro 990, Part VII, Section A, line 1a Complete Part III		·			
	First class or charter travel	Г	Housing allowance or residence for personal use			
	Travel for companions	\sqcap	Payments for business use of personal residence			
	Tax idemnification and gross-up payments	굣	Health or social club dues or initiation fees			
	Discretionary spending account	Γ	Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a w provision of all the expenses described above? If "N		, , ,	1b	Yes	
2	Did the organization require substantiation prior to i officers, directors, trustees, and the CEO/Executive		· · · · · · · · · · · · · · · · · · ·	2	Yes	
3	Indicate which, if any, of the following the organizationganization's CEO/Executive Director Check all the Compensation committee		·			
	✓ Independent compensation consultant	اب ا				
	Form 990 of other organizations	ر ح	Approval by the board or compensation committee			
	Tom 550 of other organizations	,	Approval by the board of compensation committee			
4	During the year, did any person listed in Form 990,	Part VII	I, Section A, line 1a			
а	Receive a severance payment or change of control p	payment	t?	4a		Νo
b	Participate in, or receive payment from, a suppleme	ntal non	nqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-b	ased co	mpensation arrangement?	4c		Νo
	If "Yes" to any of lines 4a-c, list the persons and pr	ovide th	ne applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must co	-				
5	For persons listed in form 990, Part VII, Section A, compensation contingent on the revenues of	line 1a,	, did the organization pay or accrue any			
а	The organization?			5a		Νo
b	Any related organization?			5b		Νo
	If "Yes," to line 5a or 5b, describe in Part III					
6	For persons listed in form 990, Part VII, Section A, compensation contingent on the net earnings of	line 1a,	, did the organization pay or accrue any			
а	The organization?			6a		Νo
b	Any related organization?			6b		Νo
	If "Yes," to line 6a or 6b, describe in Part III					
7	For persons listed in form 990, Part VII, Section A, payments not described in lines 5 and 6? If "Yes," of			7	Yes	
8	Were any amounts reported in Form 990, Part VII, publicated to the initial contract exception described in Part III		·	8		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)(1)-(111) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	,	(B) Breakdown of	f W-2 and/or 1099-MIS	SC compensation	(C) Deferred	(D) Nontaxable	(E) Total of columns	(F) Compensation reported in prior Form
		(i) Base (ii) Bonus &		(iii) Other compensation	compensation	benefits	benefits (B)(ı)-(D)	
RONALD R REED	(1) (11)	388,842		3,386	24,230	26,305	442,763	
JEAN M BERGE	(ı) (ıı)	134,733		256	17,105	15,793	167,887	
CATHERINE H ABRAMS	(ı) (ıı)	128,109		2,286	19,913	10,656	160,964	
MICHAEL G HEINRICH	(ı) (ıı)	246,188		14,525	13,964	16,309	290,986	
THOMAS R CLANCY	(ı) (ıı)	159,426		7,851	22,224	14,641	204,142	
PHILIP T BARNS MD	(ı) (ıı)	261,206		550	15,066	17,114	293,936	
MARTIN IZAKOVIC MD	(ı) (ıı)	301,395	24,000	950	5,245	7,348	338,938	
DAVID KRUPP MD	(1) (11)	262,688		218	7,192	14,620	284,718	
STEPHEN J SCHECKEL MD	(1) (11)	265,472	25,615	1,086	20,515	7,844	320,532	
PETER WALLACE MD	(ı) (ıı)	247,476		165,450	53,519	14,439	480,884	
	(i)	<u> </u>	<u> </u>					
	(ii)	<u> </u>				 	!	
	(i)	<u> </u>				 	 	
	(ii)	<u> </u>				 	 	
	(i) (ii)						 	

Part III Supplemental Information

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

Ident if ier	Return Reference	Explanation
	Part I, Line 1a	Health club membership dues were paid for Mercy's CEO, Ronald Reed in the amount of \$1,068 48 and were included as taxable income on his W-2
		Mercy established an IRC Section 457(f) plan as a way of retaining executives, officers and select groups of highly compensated employees with supplemental retirement benefits. The following individuals participated in and received payments from the plan. Thomas Clancy \$7,053.13 Michael Heinrich \$13,179.13 Peter Wallace \$159,638.61 Ronald Reed \$0 Catherine Abrahms \$0
	Part I, Line 7	A non-fixed payment was made to a physcian in Mercy's emergency department for participation and successful implementation of electronic patient records

Software ID: Software Version:

EIN: 42-0680391

Name: MERCY HOSPITAL IOWA CITY IOWA

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

			,,	,		(F) 0				
(A) Name	,	(B) Breakdown o	of W-2 and/or 1099-MIS	3C compensation	(C) Deferred		(E) Total of columns	(F) Compensation		
l		(i) Base Compensation (ii) Bonus & Incentive compensation		(iii) Other compensation	compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ		
RONALD R REED	(ı) (ıı)			3,386	24,230	26,305	442,763			
JEAN M BERGE	(ı) (ıı)			256	17,105	15,793	167,887			
CATHERINE H ABRAMS	(ı) (ıı)			2,286	19,913	10,656	160,964			
MICHAEL G HEINRICH	(ı) (ıı)			14,525	13,964	16,309	290,986			
THOMAS R CLANCY	(ı) (ıı)	. 1		7,851	22,224	14,641	204,142			
PHILIP T BARNS MD	(ı) (ıı)			550	15,066	17,114	293,936			
MARTIN IZAKOVIC MD	(1) (11)		24,000	950	5,245	7,348	338,938			
DAVID KRUPP MD	(ı) (ıı)			218	7,192	14,620	284,718			
STEPHEN J SCHECKEL MD	(1) (11)		25,615	1,086	20,515	7,844	320,532			
PETER WALLACE MD	(ı) (ıı)			165,450	53,519	14,439	480,884			

DLN: 93493134043040

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

Department of the Treasury Internal Revenue Service Name of the organization

Schedule K

(Form 990)

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O.

Open to Public **Inspection** Employer identification number

MEF	RCY HOSPITAL IOWA CITY IOW	'A								42-068	201			
D:	art I Bond Issues (Requir	red for 2008)								42-068	7391			
	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date	Issued	(e) Issu	e Price	(f) Des	cription of	Purpose	(g) De	feased	Beh	On alf of suer
											Yes	No	Yes	No
A	MERCY HOSPITAL	42-0680391	431669AA8	04-29-	2008	39,	235,000	REFUND 20 CERTAIN I				х		х
Pa	rt III Proceeds (Optional f	for 2008)		_										
1	Total Proceeds of Issue			-	4	<u> </u>	В		<u> </u>)		E	
2	Gross Proceeds in Reserve Fur	nds												
3	Proceeds in Refunding or Defea	sance Escrows												
4	Other Unspent Proceeds													
5	Issuance Costs from Proceeds											-		
6	Working Capital Expenditures f	rom Proceeds												
7	Capital Expenditures from Proc	eeds												
8	Year of Substantial Completion	1						·						
				Yes	No	Yes	No	Yes	No	Yes	No	Yes		No
9	Were the bonds issued as part	of a current refunding iss	sue?											
10	Were the bonds issued as part	of an advance refunding	ıssue?											
11	Has the final allocation of proce	eeds been made?												
12	Does the organization maintain final allocation of proceeds?	adequate books and rec	ords to support the											
Pai	rt IIII Private Business Us	se (Optional for 2008)											
							B 	_	C				E	
1	Was the organization a partner which owned property financed		ember of an LLC ,	Yes	No	Yes	No	Yes	No	Yes	No	Yes		No
2	Are there any lease arrangeme which may result in private bus	·	nanced property											
For I	Paperwork Reduction Act Notice, see	the Instructions for Form	າ 990.			Cat No 501	193E			s	chedule K	(Form 990) 2008	į.

Schedule K (Form 990) 2008					
Part III	Private Bu	siness Use	(Continued)		

		Α		E	3	(С	I	D	I	E
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b	Are there any research agreements with respect to the financed property which may result in private business use?										
3с	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4	Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government											
6	Total of lines 4 and 5										
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										
Pai	rt IV Arbitrage (Optional for 2008)										
		ı	Α	E	3	(<u>c</u>	ı	<u> </u>	ı	Ε
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T been filed wth respect to the bond issue?										
2	Is the bond issue a variable rate issue?										
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
ь	Name of provider										
С	Term of hedge										
4a	Were gross proceeds invested in a GIC?										
ь	Name of provider										
С	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5											
	Were any gross proceeds invested beyond an available temporary period?										

DLN: 93493134043040

Employer identification number

OMB No 1545-0047

Open to Public Inspection

Schedule L

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Total

Name of the organization

Transactions with Interested Persons

► Attach to Form 990 or Form 990-EZ. ► To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.

MERCY HOSPITAL IOWA CITY IOWA 42-0680391 **Excess Benefit Transactions** (section 501(c)(3) and section 501 (c)(4) organizations only). To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b (c) Corrected? (a) Name of disqualified person 1 (b) Description of transaction Yes Nο 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization Loans to and/or From Interested Persons To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a (f) (b) Loan to or (e) In Approved (g)Written from the (c)O riginal principal (a) Name of interested person and (d)Balance due default? by board or lagreement? organization? purpose amount committee? Τо From Yes Yes No Yes No CATHERINE H ABRAMS SPLIT DOLLAR LIFE INSURANCE Х 3,490 3,490 Νo Νo Νo THOMAS R CLANCY SPLIT DOLLAR LIFE INSURANCE Χ 5,847 5,847 Νo Νo Νo MICHAEL G HEINRICH Χ SPLIT DOLLAR LIFE INSURANCE 11,104 11,104 Νo Νo Νo RONALD R REED SPLIT DOLLAR LIFE INSURANCE Х 29,507 29,507 Νo Νo Nο PETER D WALLACE MD SPLIT DOLLAR LIFE INSURANCE Х 49,950 49,950 Νo Νo Νo

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c)A mount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons**

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the	(c) A mount of transaction	(d) Description of transaction	(e) Sha organiz rever	
	organization			Yes	No

99.898

Return

Reference

Community

Employer identification number

OMB No 1545-0047

Open to Public Inspection

SCHEDULE 0

(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.

Name of the organization MERCY HOSPITAL IOWA CITY IOWA

Identifier

Form 990, Part VI,

Section A, line 2

Explanation Sister Sharon Kerrigan, board member, Sister Patricia Murphy, board member, and Sister Margaret

Wright, board member are all members of the Sisters of Mercy of the Americas West Midwest

42-0680391

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Mercy's sole member is the Sisters of Mercy of the Americas West Midw est Community, Inc

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Mercy's sole member, Sisters of Mercy of the Americas West Midwest Community, Inc., maintains a number of "reserved powers" including but not limited to approval of annual budgets, approval of amendments to the articles of incorporation and bylaws, approval of real property transactions and approval of long term borrowing

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		A board resolution was established that provides that each board member be (i) provided a copy of the Form 990 as it is intended to be filed, and (ii) given a reasonable opportunity before filing to provide to the Audit Committee any comments, corrections, concerns or other input on the proposed Form. The Audit Committee's review process shall be intended to reasonably verify that the Form 990 has been fully and accurately completed, including but not limited to, all inquiries therein relating to corporate governance. After completing its review, the Audit Committee, on the Board's behalf, shall have the authority to authorize the filing of the annual Form 990.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		Compensation for all executives and other key employees is determined based on national or regional market data for comparable positions at comparatively sized hospitals. The Executive Committee of the Board of Directors uses this market-based information to set the President and CEO's compensation. In turn, the CEO uses the same information to set compensation for officers and key employees.

ldentifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		An annual statement of "Financial Highlights" is published in Mercy's annual report. It provides annual Funds Available and Funds Applied in the form of percentages of Mercy's total budget. The annual report is produced in print form and appears on Mercy's Website, www mercylowacity org, as a PDF. Mercy's governing documents and conflict of interest policy are not available to the public.

ldentifier	Return Reference	Explanation
CORE FORM, PART XI, LINE 2b		Mercy's financial statements are prepared by Mercy's fiscal management staff, reviewed by Mercy's governing body and audited by Deloitte and Touche LLP Mercy's annual independent audit report is a consolidated report for Mercy Hospital low a City, Mercy Hospital Foundation, Mercy Services low a City, Inc and low a City Ambulatory Surgical Center

Part I Identification of Disregarded Entities

DLN: 93493134043040

OMB No 1545-0047

Open to Public Inspection

Related Organizations and Unrelated Partnerships

Department of the Treasury Internal Revenue Service

(Form 990)

SCHEDULE R

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 MERCY HOSPITAL IOWA CITY IOWA **Employer identification number**

42-0680391

(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 chanty status (if section 501(c)(3))	(F) Direct controlling entity
MERCY FOUNDATION			504403403		
500 EAST MARKET STREET IOWA CITY, IA52245 23-7040506	FOUNDATION/FUNDRAISING	IA IA	501(C)(3)	11A	N/A
MERCY HOSPITAL IOWA CITY IOWA SELF INSURANCE PLAN AND TRUST					
500 EAST MARKET STREET IOWA CITY, IA52245 42-6591803	SELF INSURANCE	IA	501(C)(3)	11-I	N/A
MERCY OUTREACH IOWA CITY INC					
500 EAST MARKET STREET IOWA CITY, IA52245 42-1233399	INACTIVE	IA	501(C)(3)		N/A
SISTERS OF MERCY OF THE AMERICAS WEST MIDWEST COMMUNITY INC					
7262 MERCY ROAD OMAHA, NE68124	RELIGIOUS ORDER	NE	501(C)(3)		N/A
MERCY HOSPITAL GUILD					
500 EAST MARKET STREET IOWA CITY, IA52245 42-6099912	FUNDRAISING	IA	501(C)(3)	11-III-FI	N/A
For Panerwork Peduction Act Notice see the Instructions for Form 996		at No E013EV	•	•	Schedule P (Form 990) 2009

Part III	Identification of	Related Organizations	Tayable as a l	Partnershin
	Tacillication of	NCIGICA CIAGIIIZANONS	I U A U D I C U B U I	rai dici siiib

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or	(D) Direct controlling entity	(E) Predominant income(related,	(F) Share of total income	(G) Share of end-of-year assets	(H Disprop allocat	rtionate	(I) Code V—UBI amount on Box 20 of K-1	Gene mar	(J) eral or naging tner?	
-		foreign country)		investment, unrelated)					BOX 20 01 K-1			
							Yes	No		Yes	No	
CANCER CARE OF IOWA CITY LLC												
613 E BLOOMINGTON STE 100 IOWA CITY, IA52245 42-1460774	ONCOLOGY SERVICES	IA	N/A	RELATED	-71,424	1,131,363		No			No	
IOWA CITY AMBULATORY SURGICAL CENTER												
ШС	OUTPATIENT	TΛ	N/A	RELATED	1 612 672	5,775,941		No		Yes		
2963 NORTHGATE DRIVE IOWA CITY, IA52245 20-8503424	SURGERY	IA N	2.	IN/ M	KLIMIED	1,612,673	5,775,941		IAO		res	

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
MERCY SERVICES IOWA CITY INC 500 EAST MARKET STREET IOWA CITY, IA52245 42-1241044	MEDICAL CLINIC SERVICES	IA	N/A	С	-1,701,652	6,727,920	100 000 %

(5)

(6)

Part V	Transactions with Related Organizations

Pai	Transactions with Related Organizations					
	Note. Complete line 1 if any entity is listed in Parts II, III or IV				Yes	No
1 D	uring the tax year, did the orgranization engage in any of the following transaction	ns with one or more related organizations listed in Parts II-	IV?			
а	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled ent	rity		1a	Yes	
b	Gift, grant, or capital contribution to other organization(s)			1b		No
c	Gıft, grant, or capıtal contribution from other organization(s)			1 c	Yes	1
d	Loans or loan guarantees to or for other organization(s)			1d	Yes	1
e	Loans or loan guarantees by other organization(s)			1e		No
						1
f	Sale of assets to other organization(s)			1f		No
g	Purchase of assets from other organization(s)			1 g		No
h	Exchange of assets			1h		No
i	Lease of facilities, equipment, or other assets to other organization(s)			1i	Yes	ĺ
						ĺ
j	Lease of facilities, equipment, or other assets from other organization(s)			1j		No
k	Performance of services or membership or fundraising solicitations for other org	ganızatıon(s)		1k		No
I	Performance of services or membership or fundraising solicitations by other organic	anızatıon(s)		11		No
m	Sharing of facilities, equipment, mailing lists, or other assets			1m		No
n	Sharing of paid employees			1n		No
						1
o	Reimbursement paid to other organization for expenses			10		No
р	Reimbursement paid by other organization for expenses			1р	Yes	1
						ĺ
q	O ther transfer of cash or property to other organization(s)			1q		No
r	O ther transfer of cash or property from other organization(s)			1r		No
2	If the answer to any of the above is "Yes," see the instructions for information or	n who must complete this line, including covered relationsh	nips and transaction thresholds			
	(A)	(B) Transaction	(C)			
	Name of other organization(s)	type(a-r)	Amount Involved			
(1)						
See	itional					
Data	1					
(2)	e					
(-)						
(3)						
(4)						

Part VI Unrelated Organizations Taxable as a Partnership

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

									_									
(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		partners section 501(c)(3) organizations?		partners section 501(c)(3) organizations?		partners section 501(c)(3) organizations?		partners section 501(c)(3) organizations?		(E) Share of end-of-year assets			(G) Code V—UBI amount on Box 20 of K-1	(H) General o managing partner?)
			Yes	No		Yes	No		Yes	No								
			•			•	•	Sabadula	D / Form	000) 2000								

Form 990, Schedule R, Part V - Transactions with Related Organizations	tions
(A)	
Name of other organization	

MERCY HOSPITAL IOWA SELF-INSURANCE PLAN AND TRUST

(9)

(10)

MERCY SERVICES IOWA CITY INC

(1)	MERCY SERVICES IOWA CITY INC	А	480,671
(2)	CANCER CARE OF IOWA CITY	А	114,091
(3)	MERCY SERVICES IOWA CITY INC	I	378,112
(4)	CANCER CARE OF IOWA CITY	I	114,091
(5)	MERCY FOUNDATION	С	914,543
(6)	MERCY SERVICES IOWA CITY INC	Р	729,751
(7)	CANCER CARE OF IOWA CITY	Р	576,666
(8)	MERCY FOUNDATION	P	224.481

(B)

Transaction

type(a-r)

Ρ

D

С

(C)

A mount Involved

(\$)

224,481

600,000

1,850,000

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DLN: 93493134043040

OMB No 1545-0172

Department of the Treasury

Depreciation and Amortization (Including Information on Listed Property)

Internal Revenue Service Attachment See separate instructions. ► Attach to your tax return. Sequence No 67 Identifying number Name(s) shown on return Business or activity to which this form relates MERCY HOSPITAL IOWA CITY IOWA Form 990 Page 10 42-0680391 Part I **Election To Expense Certain Property Under Section 179 Note:** If you have any listed property, complete Part V before you complete Part I. 250,000 **1** Maximum amount See the instructions for a higher limit for certain businesses 1 2 Total cost of section 179 property placed in service (see instructions) 2 3 Threshold cost of section 179 property before reduction in limitation (see instructions) 3 800,000 4 4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions (b) Cost (business use (c) Elected cost (a) Description of property only) 7 Listed property Enter the amount from line 29 8 **8** Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7 9 Tentative deduction Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2007 Form 4562 10 11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11 13 Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions) 14 Special depreciation allowance for qualified property (other than listed property) placed in service during the 14 tax year (see instructions) 15 Property subject to section 168(f)(1) election 15 **16** Other depreciation (including ACRS) MACRS Depreciation (Do not include listed property.) (See instructions.) Section A 17 MACRS deductions for assets placed in service in tax years beginning before 2008 18 If you are electing to group any assets placed in service during the tax year into one or more Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System (c) Basis for (b) Month and depreciation (a) Classification of (d) Recovery (a)Depreciation year placed in (business/investment (e) Convention (f) Method property period deduction service use only—see instructions) 19a 3-year property **b** 5-year property **c** 7 - year property d 10-year property e 15-year property f 20-year property S/L g 25-year property 25 yrs h Residential rental 27 5 yrs ММ S/L property 27 5 yrs ΜМ S/L i Nonresidential real 39 yrs ΜМ S/L property ΜМ S/L Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System 20a Class life **b** 12-year S/L S/L **c** 40-year **Summary** (See instructions) Part IV 21 Listed property Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here 22 0 and on the appropriate lines of your return Partnerships and S corporations—see instr 23 For assets shown above and placed in service during the current year, enter the

23

Form 4562 (2008) Page 2 Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and Part V property used for entertainment, recreation, or amusement.) **Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable. Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.) 24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No (c) (i) (e) (b) Business/ (d) (h) (a) (g) Basis for depreciation Flected Type of property (list Date placed in investment Cost or other Recovery Method/ Depreciation/ section 179 (business/investment Convention deduction vehicles first) service basis use period cost use only) percentage 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25 26 Property used more than 50% in a qualified business use % % 27 Property used 50% or less in a qualified business use S/L -% S/L -28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 28 29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 Section B—Information on Use of Vehicles Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles (a) (b) (c) (d) (e) (f) 30 Total business/investment miles driven during the Vehicle 2 Vehicle 3 Vehicle 4 Vehicle 1 Vehicle 5 Vehicle 6 year (do not include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven 33 Total miles driven during the year Add lines 30 through 32 34 Was the vehicle available for personal use Yes No Yes No Yes No Yes No Yes No Yes No during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? **36** Is another vehicle available for personal use? Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions) 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your Yes No **38** Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? _ 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions) . . . Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles Part VI **Amortization** (b) (e) (d) (f) (c) (a) Date A mortization A mortizable Code A mortization for Description of costs amortization period or

amount section this year beains percentage 42 A mortization of costs that begins during your 2008 tax year (see instructions) 43 A mortization of costs that began before your 2008 tax year 43 44 Total. Add amounts in column (f) See the instructions for where to report 44