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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2008

Open to Public Inspection

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

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

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

C Name of organization
Sacred Heart Health System Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
5151 North 9th Avenue

City or town, state or country, and ZIP + 4
Pensacola, FL 325048721

D Employer identification number
59-0634434

E Telephone number
(850) 416-7000

G Gross receipts $ 711,624,031

F Name and address of Principal Officer
Buddy Elmore
5151 North 9th Avenue
Pensacola, FL 325048721

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

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

H(c) Group Exemption Number ▶ 0928

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

J Web site: ▶ www sacred-heart org

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1915

M State of legal domicile FL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
provides necessary medical care to the sick and poor regardless of the ability to pay

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of employees (Part V, line 2a)	**5**	6,071
6	Total number of volunteers (estimate if necessary)	**6**	13
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	**7a**	3,557,685
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	562,056

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	3,353,613	14,629,758
9	Program service revenue (Part VIII, line 2g)	617,144,018	682,732,102
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10,394,486	-15,074,868
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,697,904	17,873,034
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	643,590,021	700,160,026
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	233,254,599	264,318,918
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	(Total fundraising expenses, Part IX, column (D), line 25 0)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	383,019,129	415,616,155
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	616,273,728	679,935,073
19	Revenue less expenses Subtract line 18 from line 12	27,316,293	20,224,953
Net Assets or Fund Balances		**Beginning of Year**	**End of Year**
20	Total assets (Part X, line 16)	574,257,602	580,449,328
21	Total liabilities (Part X, line 26)	219,713,386	251,416,003
22	Net assets or fund balances Subtract line 21 from line 20	354,544,216	329,033,325

Part II Signature Block

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

Please Sign Here

Signature of officer — Date: 2010-05-12

BUDDY ELMORE CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature		Check if self-empolyed ▶ ☐	Preparer's PTIN (See Gen Inst)
Firm's name (or yours if self-employed), address, and ZIP + 4	deloitte tax llp 250 east fifth street suite 1900 cincinnati, OH 45202		EIN ▶ Phone no ▶ (513) 784-7100

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

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

1 Briefly describe the organization's mission

Sacred Heart Hospital provides necessary medical care to the sick and poor of our community regardless of the ability to pay Services include inpatient routine and inpatient ancillary support of the healthcare mission of the hospital

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and (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 $ 495,769,077 including grants of $) (Revenue $ 685,080,743)

Patient Services - 466 bed medical-surgical acute care hospital in Pensacola, Florida The facility includes a 119 bed Children's Hospital Sacred Heart Hospital on the Emerald Coast is a 50 bed medical-surgical hospital located in Destin, FL Expanding awareness, education and promotion of health by offering healthcare, classes and seminars for the Community See Schedule o for community benefit report

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses $ 495,769,077 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	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		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		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		No
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		No
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
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**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
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**		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	471		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	6,071		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** *Report of Foreign Bank and Financial Accounts.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		Yes	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		Yes	
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 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 14		
b	Enter the number of voting members that are independent . .	1b 9		
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		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
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	Yes	
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			
a	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	Yes	
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	Yes	
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* . .	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	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
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			
a	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	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ own website ☐ another's website ☑ upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

Buddy Elmore
5151 N 9th Ave
Pensacola, FL 32504
(850) 416-7638

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

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

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) 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

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

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

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply) Individual Trustee or Director	Institutional Trustee	Officer	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)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total ▶								7,722,130	0	1,324,455

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 189

			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**		No
4	For any individual listed online 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	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**		No

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
Greenhut Construction 23 South A Street Pensacola, FL 32501	Construction (Sch O)	14,454,793
Trimedx PO Box 1627 Indianapolis, IN 46206	Equipment Maintenance	5,948,793
Anesthesia Cooperative 1458 Baton Rouge Way Suite 102 Grayson, GA 30017	Anesthesiology Service	4,681,128
Sodexo Inc PO Box 536922 Atlanta, GA 303536922	Food Service	4,311,922
Mickelson Construction Service PO Box 17046 Pensacola, FL 32522	Construction	3,102,347

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 72

Part VIII **Statement of Revenue**

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d 13,872,578				
	e	Government grants (contributions) 1e 604,475				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 152,705				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)** ▶	14,629,758			
Program Service Revenue		Business Code				
	2a	PATIENT SERVICES 621,990	602,819,205	600,323,765	2,495,440	
	b	MSO SHARED ALLOCATION 621,990	65,672,561	65,672,561		
	c	MANAGEMENT SERVICES 541,610	13,190,711	12,168,959	1,021,752	
	d	TRANSPORTATION 480,000	1,032,625	1,032,625		
	e	EDUCATION 611,710	17,000	17,000		
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 682,732,102				
	3	Investment income (including dividends, interest other similar amounts) ▶	-15,260,109			-15,260,109
	4	Income from investment of tax-exempt bond proceeds ▶				
	5	Royalties ▶				
		(i) Real / (ii) Personal				
	6a	Gross Rents 17,666,588				
	b	Less rental expenses 10,897,233				
	c	Rental income or (loss) 6,769,355				
	d	Net rental income or (loss) ▶	6,769,355			6,769,355
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 752,013				
	b	Less cost or other basis and sales expenses 566,772				
	c	Gain or (loss) 185,241				
	d	Net gain or (loss) ▶	185,241			185,241
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events ▶				
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities ▶				
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory ▶				
		Miscellaneous Revenue / Business Code				
	11a	MEDICAL GROUP FEES 621,990	4,864,896	4,864,896		
	b	Miscellaneous 900,099	2,824,548		40,493	2,784,055
	c	ASSETS RELEASED 621,990	2,413,298			2,413,298
	d	All other revenue _____	1,000,937	1,000,937		
	e	**Total. Add lines 11a-11d** ▶ $ 11,103,679				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	700,160,026	685,080,743	3,557,685	-3,108,160

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
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	4,298,773		4,298,773	
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	217,492,437	193,931,490		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,589,236	3,438,185	6,151,051	
9 Other employee benefits	16,974,419	7,992,639	8,981,780	
10 Payroll taxes	15,964,053	12,355,956	3,608,097	
11 Fees for services (non-employees)				
a Management	9,146,212	2,428,995	6,717,217	
b Legal	50	50		
c Accounting				
d Lobbying				
e Professional fundraising *See Part IV, line 17*				
f Investment management fees				
g Other	14,051,207	9,241,236	4,809,971	
12 Advertising and promotion				
13 Office expenses	5,445,296	2,694,515	2,750,781	
14 Information technology				
15 Royalties				
16 Occupancy	8,107,327	7,842,282	265,045	
17 Travel	1,102,389	735,878	366,511	
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings				
20 Interest	4,268,993	1,002,527	3,266,466	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	26,468,919	22,083,534	4,385,385	
23 Insurance	9,369,820	3,728,718	5,641,102	
24 Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Medical Supplies	113,804,668	110,365,796	3,438,872	0
b Bad Debt	79,812,622	79,250,276	562,346	0
c MSO Allocation	62,887,079	325,975	62,561,104	0
d Professional fees	35,033,262	5,734,672	29,298,590	0
e Rent Expense	20,789,690	18,333,969	2,455,721	0
f All other expenses	25,328,621	14,282,384	11,046,237	
25 **Total functional expenses.** Add lines 1 through 24f	679,935,073	495,769,077	184,165,996	0
26 **Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		21,860,810	2	34,021,528
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		81,281,944	4	78,272,951
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		16,139,180	8	16,682,896
	9	Prepaid expenses and deferred charges		4,796,761	9	8,181,873
	10a	Land, buildings, and equipment cost basis	10a 556,719,229			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 299,346,276	258,168,695	10c	257,372,953
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*			12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*		192,010,212	15	185,917,127
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*		574,257,602	16	580,449,328
Liabilities	17	Accounts payable and accrued expenses		40,703,442	17	48,201,871
	18	Grants payable			18	
	19	Deferred revenue		3,672,251	19	4,535,568
	20	Tax-exempt bond liabilities			20	
	21	Escrow account liability *Complete Part IV of Schedule D*			21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	29,714
	24	Unsecured notes and loans payable			24	
	25	Other liabilities *Complete Part X of Schedule D*		175,337,693	25	198,648,850
	26	**Total liabilities.** *Add lines 17 through 25*		219,713,386	26	251,416,003
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		345,142,807	27	322,140,203
	28	Temporarily restricted net assets		9,401,409	28	6,893,122
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		354,544,216	33	329,033,325
	34	Total liabilities and net assets/fund balances		574,257,602	34	580,449,328

Part XI Financial Statements and Reporting

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

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

1 ☐ A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i).**

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **Section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (See instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **Section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(See Instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

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

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total Support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

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

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

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

Section A. Public Support

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

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total Support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

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

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

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

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

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 59-0634434
Name: Sacred Heart Health System Inc

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Patrick Madden , President & CEO (Sch O)	40 00	X		X				1,147,614	0	39,651
Eric Nickelsen , Chairman	1 00	X		X				0	0	0
Dudley H Greenhut , Vice-Chair	1 00	X		X				0	0	0
Richard R Baker , member	1 00	X						0	0	0
Carol H Carlan , member	1 00	X						0	0	0
Gerald J Christie , member	1 00	X						0	0	0
E Jean Dabezies MD , member	1 00	X						0	0	0
Sister Mary Jean Doyle , member	1 00	X						0	0	0
Nancy A Fetterman , member	1 00	X						0	0	0
Sister Joan Keating DC , member	1 00	X						0	0	0
Sister Ellen M LaCapria , member	1 00	X						0	0	0
Robert Emmanuel , member	1 00	X						0	0	0
Adelaida L Torres MD , member	1 00	X						0	0	0
Ronald Townsend , member	1 00	X						0	0	0
Buddy Elmore , EVP and CFO (Sch O)	40 00			X				516,726	0	38,603
Karen Emmanuel , General Counsel (Sch O)	40 00				X			268,327	0	20,295
Deborah Bostic , President	40 00				X			454,377	0	35,399
Paul Baroco , CMO (Sch O)	40 00				X			439,428	0	30,911
Roger Hall , President - SHHEC	40 00				X			311,508	0	25,217
Laura Kaiser , Interim CEO and COO	40 00				X			578,461	0	5,037
Peter Heckathorn , EVP SHMG (Sch O)	40 00				X			556,460	0	41,406
Thomas Sunnenberg MD , Physician	40 00					X		1,057,880	0	7,239
Mark Boatright MD , Physician	40 00					X		374,718	0	617,212
Tarek Eldawy-Mohamed MD , Physician	40 00					X		898,346	0	4,265
Ranjith Dissanayake MD , Physician	40 00					X		418,569	0	447,854
William Dobak MD , Physician	40 00					X		699,716	0	11,366

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 SERVICES	621,990	602,819,205	600,323,765	2,495,440	
b MSO SHARED ALLOCATION	621,990	65,672,561	65,672,561		
c MANAGEMENT SERVICES	541,610	13,190,711	12,168,959	1,021,752	
d TRANSPORTATION	480,000	1,032,625	1,032,625		
e EDUCATION	611,710	17,000	17,000		

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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

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

- Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)

- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization	Employer identification number
Sacred Heart Health System Inc	59-0634434

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See the instructions for Schedule C for details.)

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	$
3	Volunteer hours	

Part I-B To be completed by all organizations exempt under section 501(c)(3). (See the instructions for Schedule C for details.)

1	Enter the amount of any excise tax incurred by the organization under section 4955	$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	$
3	If the organization incurred in a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If "Yes," describe in Part IV	

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). (See the instructions for Schedule C for details.)

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	$
2	Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt funtion activities	$
3	Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b	$
4	Did the filing organization file **Form 1120-POL** for this year?	☐ Yes ☐ No

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's internal funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns—		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e
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% of the excess over $1,500,000
Over $17,000,000	$1,000,000

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

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) Yes	(a) No	(b) Amount
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			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		1,096
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		117,797
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV	Yes		247,190
j	Total lines 1c through 1i			366,083
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	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?			

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.)

1	Dues, assessments and similar amounts from members	1 $
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).***	
a	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 $
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5 $

Part IV **Supplemental Information**

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

Identifier	Return Reference	Explanation
Part II-B, Line 1i	Explanation of Other Lobbying Activities	The Exempt Organization engaged consultants to assist in various lobbying activities pertaining to state and federal health care legislation, including healthcare reform Staff and consultants wrote letters and met personally with state and local legislators on these matters

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate Contributions to (during year)		
3	Aggregate Grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $

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

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

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

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

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

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	7,116,226	45,596,734		52,712,960
b Buildings	20,393,605	281,742,678	124,538,316	177,597,967
c Leasehold improvements				
d Equipment		201,869,986	174,807,960	27,062,026
e Other				0
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				257,372,953

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

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

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

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

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

(a) Description	(b) Book value
Due from affiliates	6,190,413
Health System Depository Account	103,625,682
Temporarily Restricted Investments	6,893,123
Ascension Pension Prefunding	6,877,113
Goodwill	64,941
Ascension Deferred Compensation	8,553,354
Other receivables	8,846,832
Investment in Unconsolidated Entities	7,412,201
Construction in progress	37,453,468
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	185,917,127

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
See Additional Data Table	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	198,648,850

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	700,160,026
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	679,935,073
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	20,224,953
4	Net unrealized gains (losses) on investments	4	-9,146,919
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-36,588,925
9	Total adjustments (net) Add lines 4 - 8	9	-45,735,844
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-25,510,891

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part X	Description of Uncertain Tax Positions Under FIN 48	From the Consolidated Audited Financial Statements of Sacred Heart Health System, Inc and Affiliates (which includes Sacred Heart Health System) Effective July 1, 2007, Sacred Heart Health System adopted FIN 48 The adoption of FIN 48 did not have a material impact on Sacred Heart Health System's financial position or results of operations
Part XI, Line 8 - Other Adjustments		Discontinued Operations 285459 Deferred Pension Cost -21653204 Transfer to Affiliates -11316478 Transfer to Ascension Health -1445983 Other Changes in Fund Balance -2458719

Additional Data

Software ID:
Software Version:
EIN: 59-0634434
Name: Sacred Heart Health System Inc

Form 990, Schedule D, Part X, - Other Liabilities

(a) Description of Liability	**(b)** Amount
Deferred Compensation	8,553,354
Due to Affiliates	5,598,846
Retirement Plan Obligation	34,358,407
Self Insurance Trust	5,246,623
Third Party Payables	8,719,903
MOB Liability Accounting Ownership	12,462,457
Pension Debt Issue	18,224,222
ASSET RETIREMENT OBLIGATION	105,066
Intercompany debt to Ascension Health	102,344,363
Other	2,153,009
Ascension Savings Payable	879,850
BCBS Settlement	2,750

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

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

7 Charity Care and Certain Other Community Benefits at Cost

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

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III Bad Debt, Medicare, & Collection Practices *(Optional for 2008)*

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost)	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit			

Section B. Medicare

5	Enter total revenue received from Mecicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Sacred Heart Hospital 5151 N 9th Ave Pensacola, FL 32504	X	X	X	X		X	X		
Sacred Heart on the Emerald Coast 7800 US Hwy 98 Miramar Beach, FL 32550	X	X					X		

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the 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 Assessment.** Describe how the organization assesses the health care needs of the communities it serves

3 **Patient Education of Eligibility for Assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

4 **Community Information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☑ First class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Patrick Madden	(i) (ii)	615,006	207,969	324,639	35,850	3,801	1,187,265	
Buddy Elmore	(i) (ii)	343,777	100,886	72,063	35,192	3,411	555,329	
Karen Emmanuel	(i) (ii)	184,490	31,643	52,194	19,760	535	288,622	
Deborah Bostic	(i) (ii)	325,632	90,721	38,024	30,788	4,611	489,776	
Paul Baroco	(i) (ii)	279,071	79,260	81,097	28,410	2,501	470,339	
Roger Hall	(i) (ii)	209,843	61,299	40,366	22,578	2,639	336,725	
Laura Kaiser	(i) (ii)	315,328	23,400	239,733	2,911	2,126	583,498	
Peter Heckathorn	(i) (ii)	341,042	100,886	114,532	35,258	6,148	597,866	
Thomas Sunnenberg MD	(i) (ii)	473,776	545,525	38,579	4,600	2,639	1,065,119	
Mark Boatright MD	(i) (ii)	294,604	42,854	37,260	614,808	2,404	991,930	
Tarek Eldawy-Mohamed MD	(i) (ii)	299,862	566,247	32,237	2,107	2,158	902,611	
Ranjith Dissanayake MD	(i) (ii)	298,777	88,244	31,548	444,623	3,231	866,423	
William Dobak MD	(i) (ii)	186,353	486,012	27,351	4,600	6,766	711,082	
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	An officer of Sacred Heart Health System was provided the benefit of first class travel This benefit was treated as taxable compensation and included on the officer's Form W-2
	Part I, Line 4a	These executives participate in a program that provides for supplemental retirement benefits The payment of benefits under the program, if any, is entirely dependent upon the facts and circumstances under which the executive terminates employment with the organization Benefits under the program are unfunded and non-vested Due to the substantial risk of forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program Any amount ultimately paid under the program to the executive is reported as compensation on Form 990, Schedule J, Part II, Column B in the year paid The filing organization contributed to the supplemental nonqualified retirement plan in the amount as noted Patrick Madden ($31,250), Buddy Elmore ($30,592), Karen Emmanuel ($15,160), Deborah Bostic ($26,187), Paul Baroco ($23,810) Roger Hall ($17,978), Peter Heckathorn ($30,658), Mark Boatright, MD ($614,808), and Ranjith Dissanayake, MD ($442,358)
	Part I, Line 5	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 59-0634434
Name: Sacred Heart Health System Inc

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Patrick Madden	(I) (II)	615,006	207,969	324,639	35,850	3,801	1,187,265	
Buddy Elmore	(I) (II)	343,777	100,886	72,063	35,192	3,411	555,329	
Karen Emmanuel	(I) (II)	184,490	31,643	52,194	19,760	535	288,622	
Deborah Bostic	(I) (II)	325,632	90,721	38,024	30,788	4,611	489,776	
Paul Baroco	(I) (II)	279,071	79,260	81,097	28,410	2,501	470,339	
Roger Hall	(I) (II)	209,843	61,299	40,366	22,578	2,639	336,725	
Laura Kaiser	(I) (II)	315,328	23,400	239,733	2,911	2,126	583,498	
Peter Heckathorn	(I) (II)	341,042	100,886	114,532	35,258	6,148	597,866	
Thomas Sunnenberg MD	(I) (II)	473,776	545,525	38,579	4,600	2,639	1,065,119	
Mark Boatright MD	(I) (II)	294,604	42,854	37,260	614,808	2,404	991,930	
Tarek Eldawy-Mohamed MD	(I) (II)	299,862	566,247	32,237	2,107	2,158	902,611	
Ranjith Dissanayake MD	(I) (II)	298,777	88,244	31,548	444,623	3,231	866,423	
William Dobak MD	(I) (II)	186,353	486,012	27,351	4,600	6,766	711,082	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134003210

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I 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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II 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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

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) Amount 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 organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No
Greenhut Construction	A Board Member at SHHS is a President/officer at Greenhut Construction	14,454,793	Construction Services		No
CNNM LLC	A Board Member at SHHS is an owner of CNNM, LLC	250,814	Building Lease		No
Gulf Coast Orthopaedics	A Board Member at SHHS is an owner at Gulf Coast Orthopedics	229,047	Ortho trauma call		No
Emmanuel Sheppard & Condon	A Board Member at SHHS is a partner at Emmanuel, Sheppard, & Condon	155,173	Legal services		No

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Identifier	Return Reference	Explanation
Form 990, Part III, line 4d	Other Program Services	Medical Education - Sacred Heart Health System believes that, in order to provide the best health care to the community, its clinical personnel must receive ongoing medical education

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		Robert Emanuel and Karen Emanuel have a family relationship

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		Sacred Heart Health System, Inc has a single corporate member, Ascension Health

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Sacred Heart Health System, Inc has a single corporate member, Ascension Health, who has the ability to elect members to the governing body of the Sacred Heart Health System, Inc

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Ascension Health has designed a system authority matrix which assigns authority for key decisions that are necessary in the operation of the system Specific areas that are identified in the authority matrix are new organizations & major transactions, governing documents, appointments/removals, evaluation, debt limits, strategic & financial plans, assets, system policies & procedures These areas are subject to certain levels of approval by Ascension per the system authority matrix

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		Management, including certain officers, works diligently to complete the Form 990 and attached schedules in a thorough manner Prior to filing the return, all Board Members are provided the Form 990 and management team members are available to answer any Board Members questions

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		The organization regularly and consistently monitors and enforces compliance with the conflict of interest policy in that any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board delegated powers considering the proposed transaction or arrangement The remaining individuals on the governing board or committee meeting will decide if conflicts of interest exist Each director, principal officer and member of a committee with governing board delegated powers annually signs a statement which affirms such person has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax-exempt purpose

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		In determining compensation of the organization's CEO, the process included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision The Compensation Committee of Ascension Health reviewed and approved the CEO Compensation In the review of the compensation, the CEO was compared to other organizations that hold the same title During the review and approval of the compensation, documentation of the decision was recorded in the board minutes Individual was not present when his compensation was decided In determining compensation of other officers or key employees of the organization, the process included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision The Compensation Committee and the Board of Directors reviewed and approved the compensation In the review of the compensation, the other officers or key employees of the organization were compared to employees who hold the same title in other similar organizations regionally and nationally During the review and approval of the compensation, documentation of the decision was recorded in the board minutes Individuals were not present when their compensation was decided

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The organization will provide any documents open to public inspection upon request

Identifier	Return Reference	Explanation
Form 990, Part IV, Line 12		Sacred Heart Health System, Inc receives a consolidated Audited Financial Statement

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A		Some officers for Sacred Heart Foundation provide services to Sacred Heart Health System, Inc and its subsidiaries Hours worked are not tracked on an entity by entity basis Therefore, all officers hours reported on Form 990, Part VII, Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors represent aggregate hours worked per week for all entities

Identifier	Return Reference	Explanation
Form 990, Part VII, Section B	Independent Contractors	Greenhut Construction received 14,454,793 for constructions service This amount includes services, labor, and materials

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 2		The Financial Statements of Sacred Heart Health System, Inc were audited on a consolidated basis An Audit Committee has been delegated the responsibility to oversee the Audited Financial Statements and the selection of the independent Accountants that audited the Financial Statements

Identifier	Return Reference	Explanation
Form 990, Part III	Community Benefit Report Sacred Heart Hospital on the Emerald Coast	Sacred Heart Hospital on the Emerald Coast (SHHEC), since opening its doors to patient care in 2003, continues to fulfill its mission to improve the health of the community at large, with special attention to the service of the poor and vulnerable Our health ministry serves all persons regardless of their faith, background or ability to pay Charity care is just one aspect of community service provided by Sacred Heart Additional community benefits include Free Health Screenings * Mission in Motion We provide free health screenings to the poor, the elderly and the uninsured through our Mission in Motion mobile health unit that travels throughout Northwest Florida Services for adults include screenings for blood pressure, anemia, blood sugar, cholesterol, glaucoma, and osteoporosis Services for children include free physical exams by a physician, and screenings for hearing, vision, and blood pressure * Health Fairs We provided free health screenings to over 700 people at our 6th Anniversary Health Fair in January 2009 Free screenings included glucose and cholesterol, blood pressure, pulse oxygen, body fat analysis, skin cancer, heel scan, eye screenings, and hearing tests Community Outreach * Prescription assistance The Generous Heart Fund provided thousands of dollars in prescription drug assistance for patients in need * Blood Drives In partnership with the Northwest Florida Blood Center, SHHEC hosts blood drives every month Participation ranges from 25-50 donors at each event * Back-to-School Drive SHHEC associates sponsored 166 underprivileged students at Freeport Elementary and Freeport Middle School in August 2008 * SHHEC associates provided Christmas gifts for 110 children during the annual Christmas Angel drive in December 2008 * SHHEC held an Easter Basket Drive and delivered baskets filled with useful items to 102 Delta Healthcare Center (nursing home) residents in March 2009 * SHHEC associates supported the Emerald Coast Relay for Life in support of finding a cure for cancer in May 2009 * SHHEC associates collected canned food and non-perishable items for Caring and Sharing of South Walton at various food drives throughout the year * SHHEC was a $5,000 sponsor for The American Heart Association's annual Heart Ball in Okaloosa/Walton Counties in February 2009 * SHHEC associates partnered with the American Cancer Society for the annual Making Strides Against Breast Cancer event in October 2008, and SHHEC sponsored the $1,000 survivor tent * SHHEC donated $250 to Shelter House in February 2009 in support of ending domestic violence In addition to Sacred Heart events, our associates also participated in the following community events and health fairs to provide information and free screenings * Emerald Coast Health Fair - September 2008 - Heel scans, Women's Health & Joint Information * St Joe Company Health Fair - October 2008 - Heel Scans, Women's Health, Nutrition * Destin Senior Center - November 2008 - Dietitian provided healthy tips & nutrition information * Senior Citizens Day at Belk - December 2008 - Diabetes education * Walton County Wellness Day - December 2008 - Heel Scans, Diabetes & Joint Education * Senior Snowbird Expo - January 2009 - Heel Scans, Women's Health, Diabetes, Nutrition & Joint Education * Northwest Florida Council on Aging Health & Safety Fair - April 2009 - Heel Scans, Women's Health & Joint Education * Gulf Power Health Fair - May 2009 - General Health Info & Joint Education * Healthy Start's World's Greatest Baby Shower - May 2009 - Childbirth, Parenting and Pediatric information

Identifier	Return Reference	Explanation
		Health Education and Illness Prevention * We provide health education for the community, with regular classes on topics such as diabetes education, joint pain, weight loss, parenting and childbirth * Our SENIORSpirit program offers free monthly seminars on health topics of interest to persons 55 and older, including heart health, eye disease, vascular disease, diabetes management, cancer awareness, etc * Sacred Heart Seminars & Support Groups - Joint Pain Class (July 2, 16 & 30, 2008) - Breastfeeding Class Lactation Consultant (July 2, 2008) - Diabetes Support Group (July 2, 2008) - Prepared Childbirth Class (July 7, 2008) - Weight Loss Surgery (July 8, 2008) - Baby Weigh Day Lactation Consultant (July 9, 2008) - Baby Basics Family Birth Place (July 15, 2008) - Breast Cancer Support Group Women's Diagnostic Center (July 15, 2008) - Hearing Loss ENT (July 23, 2008) - Super Siblings Class Lactation Consultant (July 23, 2008 - Post Partum Depression Support Group (July 23, 2008) - Senior Financial Matters Seminar Making the Money Last (July 28, 2008) - Safe Sitters Program, Lactation Consultant (August 2, 2008) - Prepared Childbirth Class (August 4, 2008) - Breastfeeding Class Lactation Consultant (August 5, 2008) - Diabetes Support Group (August 6, 2008) - Weight Loss Surgery (August 12, 2008) - Joint Pain Class (August 13 & 27, 2008) - Baby Weigh Day Lactation Consultant (August 13, 2008) - Senior Financial Matters Seminar Home Equity Mortgages (August 18, 2008) - Breast Cancer Support Group Women's Diagnostic Center (August 19, 2008) - Stroke Awareness, Family Medicine (August 20, 2008) - Baby Basics Family Birth Place RN (August 26, 2008) - Super Siblings Class Lactation Consultant (August 27, 2008 - Post Partum Depression Support Group (August 27, 2008) - Breastfeeding Class Lactation Consultant (Sept 2, 2008) - Diabetes Support Group (Sept 3, 2008) - Prepared Childbirth Class (Sept 8, 2008) - Adult Vaccines Internal Medicine (Sept 9, 2008) - Joint Pain Class (Sept 10 & 24, 2008) - Baby Weigh Day Lactation Consultant (Sept 10, 2008) - Breast Cancer Support Group Women's Diagnostic Center (Sept 16, 2008) - Senior Financial Matters Seminar Trusts & Wills (Sept 22, 2008) - Joint Pain Seminar (Sept 22, 2008) - Baby Basics Family Birth Place RN (Sept 23, 2008) - Super Siblings Class Lactation Consultant (Sept 24, 2008) - Post Partum Depression Support Group (Sept 24, 2008) - Weight Loss Surgery (Sept 30, 2008) - Breast Cancer & Women's Health (Oct 1, 2008) - Safe Sitters Program, Lactation Consultant (Oct 4, 2008) - Prepared Childbirth Class (Oct 6, 2008) - Breastfeeding Class Lactation Consultant (Oct 7, 2008) - Smoking Cessation (7 week series) Smoking Cessation Educator (Oct 7, 2008) - Joint Pain Class (Oct 8 & 22, 2008) - Baby Weigh Day Lactation Consultant (Oct 8, 2008) - Senior Financial Matters Seminar Medicare (Oct 20, 2008) - Weight Loss Surgery (Oct 21, 2008) - Breast Cancer Support Group Women's Diagnostic Center (Oct 21, 2008) - Super Siblings Class Lactation Consultant (Oct 22, 2008) - Post Partum Depression Support Group (Oct 22, 2008) - Baby Basics Family Birth Place RN (Oct 28, 2008) - Joint Pain Seminar (Oct 24, 2008) - Joint Pain Seminar (Nov 7, 2008) - Prepared Childbirth Class (Nov 3, 2008) - Breastfeeding Class (Nov 4, 2008) - Joint Pain Class (Nov 5 & 19, 2008) - Diabetes Support Group (Nov 5, 2008) - Weight Loss Surgery (Nov 11, 2008) - Baby Weigh Day Lactation Consultant (Nov 12, 2008) - Diabetes & Weight Loss (Nov 14, 2008) - Senior Financial Matters Seminar US Savings Bonds (Nov 17, 2008) - Breast Cancer Support Group Women's Diagnostic Center (Nov 18, 2008) - Baby Basics Family Birth Place RN (Nov 18, 2008) - Super Siblings Class (Nov 26, 2008) - Post Partum Depression Support Group (Nov 26, 2008) - Prepared Childbirth Class (Dec 1, 2008) - Breastfeeding Class Lactation Consultant (Dec 2, 2008) - Baby Basics Family Birth Place RN (Dec 9, 2008) - Weight Loss Surgery (Dec 9, 2008) - Breast Cancer Support Group Women's Diagnostic Center (Dec 16, 2008) - Joint Pain Class (Dec 17, 2008) - Breastfeeding Class Lactation Consultant (Jan 6, 2009) - Diabetes Support Group (Jan 6, 2009) - Joint Pain Class (Jan 7 & 21, 2008) - Senior Financial Matters Seminar (Jan 12, 2008) - Weight Loss Surgery (Jan 13, 2009) - Happiest Baby on the Block Family Birth Place RN (Jan 13, 2009) - Baby Weigh Day Lactation Consultant (Jan 14, 2009) - Breast Cancer Support Group Women's Diagnostic Center (Jan 20, 2009) - Baby Basics Family Birth Place RN (Jan 20, 2009) - Longevity & Vitamins (Jan 21, 2009) - Joint Pain Seminar (Jan 22, 2009) - Super Siblings Class Lactation Consultant (Jan 28, 2009) - Post Partum Depression Support Group (Jan 28, 2009) - Breastfeeding Class Lactation Consultant (Feb 3, 2009) - Diabetes Support Group (Feb 4, 2009) - Joint Pain Class (Feb 4 & 18, 2008) - Happiest Baby on the Block Family Birth Place RN (Feb 10, 2009) - Baby Weigh Day Lactation Consultant (Feb 11, 2009) - Senior Financial Matters Seminar Lifetime Income (Feb 16, 2009) - Breast Cancer Support Group Women's Diagnostic Center (Feb 17, 2009) - Safe Sitters Program, Lactation Consultant (Feb 21, 2009) - Heart Health (Feb 25, 2009) - Super Siblings Class Lactation Consultant (Feb 25, 2009) - Post Partum Depression Support Group (Feb 25, 2009) - Breastfeeding Class Lactation Consultant (March 3, 2009) - Joint Pain Seminar (March 3, 2009) - Diabetes Support Group (March 4, 2009) - Joint Pain Class (March 4 & 18, 2008) - Happiest Baby on the Block Family Birth Place RN (March 10, 2009) - Weight Loss Surgery (March 10, 2009) - Balance & Dizziness Disorders (March 10, 2009) - Baby Weigh Day Lactation Consultant (March 16, 2009) - Senior Financial Matters Seminar Abuse & Fraud (March 16, 2009) - Look Good, Feel Better Seminar American Cancer Society (March 16, 2009) - Breast Cancer Support Group Women's Diagnostic Center (March 17, 2009) - Baby Basics Family Birth Place RN (March 17, 2009) - Super Siblings Class Lactation Consultant (March 25, 2009) - Post Partum Depression Support Group (March 25, 2009) - Joint Pain Class (April 1, 15 & 29, 2008) - Breastfeeding Class Lactation Consultant (April 7, 2009) - Diabetes Support Group (April 7, 2009) - Baby Weigh Day Lactation Consultant (April 8, 2009) - Happiest Baby on the Block Family Birth Place RN (April 14, 2009) - Baby Basics Family Birth Place RN (April 21, 2009) - Breast Cancer Support Group Women's Diagnostic Center (April 21, 2009) - Super Siblings Class Lactation Consultant (April 22, 2009) - Post Partum Depression Support Group (April 22, 2009) - Diabetes & Nutrition Diabetes Educator & Dietician (April 22, 2009) - Joint Pain Seminar (April 23, 2009) - Senior Financial Matters Seminar Long Term Care (April 27, 2009) - Weight Loss Surgery (April 28, 2009) - Diabetes Support Group (May 5, 2009) - Breastfeeding Class Lactation Consultant (May 5, 2009) - Safe Sitters Program, Lactation Consultant (May 9, 2009) - Happiest Baby on the Block Family Birth Place RN (May 12, 2009) - Baby Weigh Day Lactation Consultant (May 13, 2009) - Joint Pain Class (May 13 & 27, 2009) - Senior Financial Matters Seminar (May 18, 2009) - Baby Basics Family Birth Place RN (May 19, 2009) - Prostate Cancer (May 20, 2009) - Super Siblings Class Lactation Consultant (May 27, 2009) - Post Partum Depression Support Group (May 27, 2009) - Breastfeeding Class Lactation Consultant (June 2, 2009) - Diabetes Support Group (June 2, 2009) - Sleep Seminar (June 3, 2009) - Happiest Baby on the Block Family Birth Place RN (June 9, 2009) - Weight Loss Surgery (June 9, 2009) - Baby Weigh Day Lactation Consultant (June10, 2009) - Joint Pain Class (June 10 & 24, 2009) - Look Good, Feel Better Seminar American Cancer Society (June 15, 2009) - Breast Cancer Support Group Women's Diagnostic Center (June 16, 2009) - Baby Basics Family Birth Place RN (June 16, 2009) - Senior Financial Matters Seminar (June 22, 2009) - Super Siblings Class Lactation Consultant (June 24, 2009) - Post Partum Depression Support Group (June 24, 2009)

Identifier	Return Reference	Explanation
		* Sacred Heart Online Health Library A variety of topics provide information about diseases, prevention, and wellness The Online Health Library allows visitors to research a disease or condition, test their knowledge about health risks, use a body mass index or walking calculator and learn more about the latest health issues The Sacred Heart web site also offers the educational content of Kidshealth org, the nation's leading web site for information about children's health and parenting issues Major Accomplishments In recognition of providing high quality, compassionate healthcare, Sacred Heart Hospital on the Emerald Coast received the following national recognition in the spring of 2009 * Thomson Reuters 100 Top Hospitals(r) * Thomson Reuters 100 Top Hospitals(r) Everest Award for National Benchmarks * Medical Partners International C A R E S Designation(c) Economic Benefits * We are one of the Emerald Coast's largest employers, providing jobs to more than 500 associates As an employer we provide competitive salaries, affordable health insurance and other important benefits to our associates Medical Education and Training * In partnership with Okaloosa Walton College, SHHEC provided hands-on experience and training for students in the Surgery Technologist program * In partnership with Gulf Coast Community College, SHHEC provided hands-on experience and training for students in the Radiography program * In partnership with Okaloosa Walton College, SHHEC provides hands-on experience and training for students in the Nursing program * In partnership with Gulf Coast Community College, SHHEC provided hands-on experience and training for students in the Respiratory Therapy program * Pharmacy interns * Physical Therapy interns

Identifier	Return Reference	Explanation
Form 990, Part III	Communit Benefit Report Sacred Heart Health System	This report illustrates the significant degree to which Sacred Heart Health System contributes to the positive health status of the communities it serves As a member of Ascension Health, the nation's largest Catholic healthcare system, Sacred Heart Health System continues to build and strengthen sustainable collaborative efforts that benefit the health of individuals, families, and society as a whole The goal of Sacred Heart Health System is to perpetuate the healing mission of our founders, the Daughters of Charity Sacred Heart Health System furthers this goal through delivery of high quality patient services, care to the elderly and the indigent, patient education and health awareness programs for the community, and medical research Our concern for all human life and dignity of each person leads the organization to provide medical services to all people in the community without regard to the patient's race, creed, national origin, economic status, or ability to pay In order to portray the full breadth of our contribution, our community benefit information is described below Organizational Commitment to Providing Community Benefit Sacred Heart Health System seeks to improve the physical, mental, social and spiritual health status of its surrounding community In addition to providing health care services to all individuals who require medical attention, Sacred Heart Health System has developed the following programs to help achieve its mission Expanding Awareness, Education, and Health Promotion Sacred Heart Health System believes that it is essential to educate people regarding the types of behavior that improve their chances of living a healthy life Sacred Heart Health System has invested significantly in unique, top quality health education and materials to accomplish its goals Classes and Seminars for the Community * Throughout the year, Sacred Heart offered its "Freedom From Smoking" program to help with the physical, psychological and habitual components of nicotine addiction * Sacred Heart provided health education for the community with regular classes on topics such as stress management, smoking cessation, diabetes management, babysitting, CPR, newborn parenting, preparing for joint replacement surgery, surviving after stroke, caregiver training, and coping with cancer * On a monthly basis, Sacred Heart Institute for Surgical Weight Loss held seminars on gastric bypass and lap band surgeries in both Destin and Pensacola * On a monthly basis, the Haven of Our Lady of Peace held free, public Alzheimer's Family Support Meetings * On a quarterly basis, the Haven of Our Lady of Peace held memorial services for former residents that were open to the public * On a weekly basis, the Sacred Heart Regional Joint Replacement sent held patient seminars on preparing for joint replacement surgery * On August 18, 2008, Sacred Heart held a free public seminar, "Evening with the Expert Hip & Knee Replacement," at which 120 community members attended * On September 13, 2008, the Sacred Heart Regional Heart and Vascular Institute held a PAD Awareness Screening, serving 134 people * On September 20, 2008, Sacred Heart Children's Hospital held a Neonatal Intensive Care Unite awareness walk and patient reunion for more than 500 people * On October 13, 2008, Sacred Heart Women's Hospital hosted "Woman to Woman Breast Cancer Awareness Night" and provided breast cancer information to more than 60 women * On October 26, 2008, Sacred Heart Women's Hospital hosted a "Mother-Daughter Talk on the Values" for 87 girls and their female caregivers on becoming a woman and the value of chastity * On November 13, 2008, Sacred Heart Women's Hospital held a free mother-daughter talk on the cervical cancer vaccine, in conjunction with the Escambia County School District and the Escambia County Health Department Free HPV & meningitis vaccines were given to nearly 100 girls * On November 24, 2008, Sacred Heart Hospital hosted a public Tree Lighting Ceremony for the community to celebrate the Christmas season * On January 9, 2009, Sacred Heart Health System hosted a Leadership Summit on Poverty to educate community and hospital leaders on the state of poverty in Escambia County * On January 15, 2009, Sacred Heart Women's Hospital hosted a Menopause Seminar - Dealing with Symptoms, for more than 30 women * Sacred Heart hosted the 10th annual SENIORSpirit Expo on January 24, 2009 Free health screenings to measure cholesterol, blood pressure, body fat, blood sugar, and hearing were offered to persons over 55 Over 35 booths provided health information and advice on topics including women's health, diabetes, home care, diagnostic testing, surgical weight loss, joint replacement, stroke, rehabilitation, smoking cessation, and more * On February 17, 2009, the Sacred Heart Regional Heart and Vascular Institute hosted a free public seminar on Minimally Invasive Spinal Fusion, with over 125 people in attendance * On February 24, 2009, Sacred Heart Women's Hospital hosted Sacred Heart Women's Hospital held a free women and heart health symposium, featuring dark chocolate and red wine sampling, experts on heart health, free screenings, and information for 130+ attendees * On April 9, 2009, Sacred Heart hosted the 9th Annual Northwest Florida Senior Pageant This event is open to all nursing homes and assisted living facilities across four counties from Holmes to Escambia On April 18, 2009, Sacred Heart Hospital hosted a community celebration for the 40th Anniversary of Children's Hospital, featuring information from children's health and children's activities * On April 20, 2009, Sacred Heart Women's Hospital hosted a free public seminar on Managing Menopause Osteoporosis & Bone Health * On May 9, 2009, Sacred Heart held the 3rd Annual Pace Community Health Fair, featuring free health screenings, health information, and food to over 600 area citizens * On May 29, 2008, Sacred Heart held "An Evening with the Experts Stroke Awareness Night" featuring stroke screenings, speakers, and health information on stroke-related topics * On May 18, 2009, Sacred Heart's Trauma Center hosted Trauma Survivor's Day for healthcare providers featuring testimonial stories of trauma victims saved by Sacred Heart * On May 27, 2009, Sacred Heart hosted the Gulf Shores Health Fair and provided free blood sugar and cholesterol screenings to more than 100 people * Sacred Heart's SENIORSpirit program offered monthly financial information classes in Pensacola, Destin, and Chipley on Medicare, long-term health care, irrevocable funeral trusts, end-of-life care, and other financial concerns of seniors * Seniors Seminars - Pensacola - July 14, 2008 - Seniors & Foot Pain - August 20, 2008 - Cancer Prevention - September 17, 2008 - Exercise, Diet & Nutrition - October 15, 2008 - Osteoporosis - November 10, 2008 - Abdominal Aortic Aneurysms - January 14, 2009 - Vertebral Compression Fractures - February 9, 2009 - COPD - March 31, 2009 - Leg Pain & Varicose Veins - April 22, 2009 - Balance Disorders - May 20, 2009 - Stroke Prevention - June 17, 2009 - Depression * Seniors Seminars - Pace - July 10, 2008 - Dizziness & Balance Disorders - August 14, 2008 - Carpal Tunnel Syndrome - September 11, 2008 - Cholesterol - October 9, 2008 - Allergies and Asthma - November 13, 2008 - Hearing Aids & Hearing Loss - January 8, 2009 - Cholesterol - February 12, 2009 - Nutrition & Diet for Seniors - March 12, 2009 - Diabetes Management - April 24, 2009 - Irregular Heartbeat - May 14, 2009 - Stress Management - June 11, 2009 - Women's Health * Seniors Seminars - Gulf Breeze - July 17, 2008 - Age-Related Macular Degeneration - August 21, 2008 - Cholesterol - September 18, 2008 - Losing Weight as You Age - October 16, 2008 - Alzheimer's - November 20, 2008 - Vertebral Compression Fractures - January 22, 2009 - Brain Injuries & Fall Prevention - February 19, 2009 - Seniors & Depression - March 19, 2009 - Colon Cancer - April 30, 2009 - Talking to Your Doctor - June 18, 2009 - Restless Leg Syndrome * Seniors Seminars - Baldwin County - July 17, 2008 - Macular Degeneration - September 9, 2009 - Shoulder and Knee Arthritis - October 4, 2008 - Women's Health Issues - February 17, 2009 - Seniors & Depression - May 27, 2009 - Back and Neck Pain * Seniors Seminars - Perdido - November 18, 2008 - Diabetes Management - April 28, 2009 - Back and Neck Pain

Identifier	Return Reference	Explanation
		WEAR Dayside Ask the Doc Partnership Sacred Heart Health System has partnered with WEAR TV3, the local ABC affiliate, to provide a free health information segment during their weekly broadcast Topics include * August 13, 2008 - Cholesterol * September 24, 2008 - Obesity & Weight Loss Surgery * October 8, 2008 - Breast Cancer * October 22, 2008 - Abdominal Aortic Aneurysms * October 28, 2008 - Breast Cancer Gene Testing * November 5, 2008 - Vertebral Compression Fractures * November 19, 2008 - Cervical Cancer & HPV Vaccine * November 24, 2008 - Breast MRI * December 1, 2008 - Shaken Baby Syndrome * December 10, 2008 - Invasive Spinal Fusion * December 17, 2008 - Stroke Awareness * December 30, 2008 - Caregivers with Breast Cancer * January 21, 2009 - COPD * January 28, 2009 - SHHS Intensive Care Program * February 5, 2009 - Cancer Programs & MD Anderson * February 9, 2009 - Women & Heart Attacks * February 23, 2009 - Detecting Heart Disease * May 19, 2009 - ER Services * May 20, 2009 - Trauma Awareness Month * May 21, 2009 - ER Transport Services Community Health Fairs and Screenings Sacred Heart Health System participates in a variety of community health fairs throughout the year and all provides free screening services These included * 65th Anniversary Whiting Field Health Fair * Blue Cross/Blue Shield Health Fair * Catholic High Health Fair - Pensacola * City of Milton Health Fair * City of Pensacola Health Fair * Department of Navy Saufley Field Health Fair * Emerald Coast Hospital Health Fair * Emmanuel, Sheppard and Condon Health Fair * Escambia County Health Fair * First Baptist Church Health Fair - Cantonment * Goldring Health Fair * Grocery Supply Company Health Fair * Gulf Power Flu Shot Clinic * Life Changing Worship Center Health Fair * NAS Pensacola Health Fair * Pensacola Junior College Health Fair * Peoples First Health Fair * Perdido Key Health Fair * Sandy Sansing Health Fair * Sickle Cell Screenings Pensacola * SS Dixon Intermediate School Health Fair - Pace * Studer Group Health Fair-Gulf Breeze * Walton County Health Fair Online Health Education Materials * In November 2007, Sacred Heart launched the mySacred-Heart personalized online newsletter that allows the community to sign-up for free health information delivered to their email each month Over 1,700 have subscribed so far * The Sacred Heart website has a comprehensive Online Health Library with information about diseases, prevention, and wellness The Online Health Library allows visitors to research a disease or condition, test their knowledge about health risks, use a body mass index or walking calculator and learn more about the latest health issues * The Sacred Heart web site also offers the educational content of Kidshealth org, the nation's leading web site for information about children's health and parenting issues Public Heath Clinic In addition to the patients cared for within the Health System, Sacred Heart is a sponsor of two indigent care clinics Escambia Community Clinics and Santa Rosa Community Clinics, which serve the citizens of Northwest Florida These two clinics play a vital role in providing primary care services to low-income and uninsured patients in our community Charitable Contributions to Community Organizations Sacred Heart Health System provided more $92,300 in charitable contributions to community organizations such as * "Run for the Roses" Kentucky Derby Fundraiser * 65th Anniversary of Whiting Field * ACS Pensacola PJC Luminaria Sponsorship-Relay for Life * ACS/Panama City Relay for Life of Port St Joe * ACS/Pensacola Relay for Life - Pensacola * AL Gulf Coast Chamber Annual Board Conference * American Cancer Society Cattle Baron's Ball - 2008 * American Cancer Society Cattle Baron's Ball - 2009 * American Lung Assoc of FL (Asthma Camp for Kids) * ARC Gateway Foundation/Silver Level Wreaths of Joy * Big Brothers/Big Sisters Bowl for Kids' Sake * Boys Class 4A Basketball Advertising Sponsorship * Earl Hutto Golf Tournament Sponsorship * Esc Co Head Start Second Annual Community Awareness Carnival * Esc Co Healthy Start Coalition * Esc Co Medical Society * Favor House Annual White Rose Luncheon Sponsorship * FSU College of Medicine Fifth Graduating Class Sponsorship * GPSHRM Legal Conference 2009 * Great Gulf Coast Arts Festival Sponsorship * Gulf Coast Community Bank Blab Sponsorship * Gulf Coast Wings of Hope Golf Tournament * Heritage Foundation/Evenings in Old Seville * Jewel Sponsorship for Annual Freedom Banquet * March for Babies Sponsorship * NAIOP NW FL Chapter 2008 Golf Sponsorship * NE Pensacola Sertoma Audiology Clinic @ Holm Elementary * Pace Area Chamber Oct 2008 Breakfast Sponsorship * Pace High Baseball Sponsor Signs/2009 Season * Panhandle Charitable Open Sponsorship * Partners with Youth * Pensacola Ballet * Pensacola Bay Area CC Pace Awards * Pensacola Breast Cancer Ribbons of Hope Corporate Sponsorship * Pensacola Chamber Economic Development Council Investment * Pensacola Children's Chorus/Brilliant Stars * Pensacola Museum of Art Suite Soiree * Pensacola Open Wheelchair Tennis Tournament/Silver Sponsor * Pensacola Pelicans Summer Safety Sponsorship and Yearbook Ad * Pensacola Sports Assn Double Bridge Run * Pensacola Symphony Orchestra - Concert Sponsorship/Old Vienna * Ronald McDonald House 2009 Kaps for Kids * Ronald McDonald House Bronze Sponsor for Firecracker 5K * SH Cathedral School Tee Sign/Annual Golf Classic * So Baldwin Chamber Annual Gala-Bronze Sponsor * Tax Watch Sponsorship * UW of Baldwin Co Gold Sponsor/Symphony by the Sea Community and Public Benefit Programs * Through Mission in Motion, a mobile health unit that travels throughout Northwest Florida, Sacred Heart provided free health screenings to the poor, elderly and uninsured Services for adults include screening for blood pressure, anemia, blood sugar, cholesterol, glaucoma, and osteoporosis screenings Services for children include free physical exams by a physician, and screenings for hearing, vision, and blood pressure This fiscal year Mission in Motion visited 152 sites We screened 2,980 adults for a total of 8011 screenings, with 697 screenings referred for abnormal results We also screened 1152 children for a total of 2335 screenings, with 68 children referred for abnormal findings Sacred Heart on the Emerald Coast provided free health screenings to over 600 people at our 6th Anniversary Health Fair in January 2009 * Sacred Heart facilities the meetings of support groups for patients and families coping with the following health problems obesity, breast cancer, cancer, prostate cancer, children with attention deficit disorders, heart disease, parent's of multiples, osteoporosis, and stroke * On a monthly basis, Sacred Heart held community blood drives at a variety of Sacred Heart locations to support the Northwest Florida Blood Center * Sacred Heart's Miracle Camp hosted overnight camping retreats for adults and children who have been diagnosed with chronic and critical illnesses Camps included adult cancer, pediatric cancer, pediatric diabetes, pediatric arthritis, pediatric asthma, pediatric cardiology and a variety of other retreats held throughout the year Medical Research Sacred Heart Health System furthers its mission by contributing funds and personnel to support research that has helped advance medical care In the fiscal year ending June 30, 2008, our Investigation Review Board that reviews, approves and monitors research involving drugs, equipment or procedures approved participation in 24 new research protocols The greatest number of research projects involved pediatric research conducted through physicians at Nemours Children's Clinic, which is affiliated with Sacred Heart Children's Hospital Research projects include the following * Oncology 87 open studies * Endocrinology - Diabetes - 2 open studies - Growth Hormone Registries - 5 open registries - Central Precocious Puberty - 1 open study - Turner's Syndrome - 1 open study * Pulmonology - Asthma - 2 open studies - Cystic Fibrosis - 2 open studies Through the Sacred Heart Cancer Center we have participated in the following studies * Breast - ECOG PACCT-1 Trial Assigning Individualized Options for Treatment (TAILORx) ER/PR positive and HER2 negative Breast CA

Identifier	Return Reference	Explanation
		* GI - SWOG N0147 A Randomized Phase III Trial of Oxaliplatin (OXAL) Plus 5-Fluorouracil (5-FU)/Leucovorin (CF) with or without Cetuximab (C225) after Curative Resection for Patients with Stage III Colon Cancer - CALGB 80405 A Phase III Trial of Irinotican/5FU/Leucovorin or Oxilaplatin/5FU/Leucivorin with Bevacuzimab, or Cetuximab (C225), or with the Combination of Bevacizumab and Cetuximab for Patients with Untreated Metastatic Adenocarcinoma of the Colon or Rectum * GU - ECOG 2805 ASSURE Adjuvant Sorafenib or Sunitinib for Unfavorable Renal Carcinoma - SWOG S0421 Phase III Study of Docetaxel and Atrasentan versus Docetaxel and Placebo for Patients with Advanced Hormone Refractory Prostate Cancer * Melanoma - ECOG 1697 Phase III Randomized Study of Four Weeks High Dose IFN-a2b in Stage T2b No, T3a-bNo, T4a-b No, and T1-4, N1a, 2a (microscopic) Melanoma * Leukemia - CALGB 10501 A Phase III Intergroup CLL Study of Asymptomatic Patients with Untreated Chronic Lymphocytic Leukemia Randomized to Early Intervention Versus Observation with Later Treatment in the High Risk Genetic Subset with IGVH Unmutated Disease * Lung - Celgene Amrubicin A Randomized, Open-Label, Multinational Phase 3 Trial Comparing Amrubicin Versus Topotecan in Patients With Extensive or Limited and Sensitive or Refractory Small Cell Lung Cancer After Failure of First-Line Chemotherapy - ECOG 1505 A Phase III Randomized Trial of Adjuvant Chemotherapy with or without Bevacizumab for Patients with Completely Resected Stage 1B (= 4cm) - IIIA Non-Small Cell Lung Cancer (NSCLC) - SWOG S0720 Phase II ERCC1 & RRM1-Based Adjuvant Therapy Trial in Patients w/ Stage I Non-Small Cell Lung Cancer (NSCLC) - S0819 (NEW) A Randomized Phase III Study Comparing Carboplatin/Paclitaxel or Carboplatin/Paclitaxel/Bevacizumab With or Without Concurrent Cetuximab in Patients with Advanced Non Small Cell Lung Cancer * Head/Neck - ECOG 1305 A Phase III Randomized Trial of Chemotherapy With or Without Bevacizumab In Patients with Recurrent or Metastatic Head and Neck Cancer * Supportive - S0715 A Randomized Placebo-Controlled Trial of Acetyl-LCarnitine (ALC) For The Prevention of Taxane Induced Neuropathy, Phase III (in Stage I, II, or IIIa Breast Cancer Patients) Through Pensacola Research Consultants, we participated in the following studies * EFC10342 (Save-Hip1) "A Multinational, Multicenter, Randomized, Double Blind Study comparing the Efficacy and Safety of AVE5026 with enoxaparin for the prevention of Venous Thromoboembolism in Patients undergoing Elective Total Hip Replacement Surgery" * EFC10343 (Save-Hip2) "A Multinational, Multicenter, Randomized, Double blind study comparing the efficacy and safety of AVE5026 with enoxaparin for the prevention of Venous Thromboembolism in Patients undergoing Fracture Surgery" * EFC10636 (Save-Hip3) "A Multinational, Multicenter, Randomized, Double blind study comparing the efficacy and safety of AVE5026 with placebo for then extended prevention of Venous Thromboembolism in Patients have undergone Hip Fracture Surgery" * EFC10571 (Save-Knee) "A Multinational, Multicenter, Randomized, Double Blind Study comparing the Efficacy and Safety of AVE5026 with enoxaparin for the prevention of Venous Thromoboembolism in Patients undergoing Elective Total Hip Replacement Surgery" * Definitive LE (EV3 -Foxhollow) "A prospective, global, multi-center, non-randomized study of SilverHawk device in the treatment of atherosclerotic femoropopliteal and tibial-peroneal arteries" * Active "A non-randomized, prospective, multi-center, single arm study enrolling up to 123 subjects with symptomatic ischemic PAD (Fontaine stage II or III) with a stenotic lesion =50% and < 100% in the common or external iliac arteries with a target vessel reference diameter =6 0mm and =10 0mm by visual estimate and a lesion length =100mm which are amenable to percutaneous treatment by placement of a vascular stent" * MCAT (Merck) "A Randomized Clinical Trial to Evaluate the Effects of High Dose Statin and Niacin Therapy on Excised Plaque Biomarkers in Patients Undergoing Carotid Endarterectomy (CEA)" * Eclectic "Evaluation of Cilostazol in Combination with L-Carnitine in Subjects with Intermittent Claudication" * ADOPT "A Phase 3 Randomized, Double-blind, Parallel-group, Multi-center Study of the Safety and Efficacy of Apixaban for Prophylaxis of Venous Thromboembolism in Acutely Ill Medical Subjects During and Following Hospitalization" * Endologix "The purpose of this study is to evaluate the use of the Suprarenal Proximal Cuff to augment the 25mm and the 28mm Powerlink Infrarenal Bifurcated in treating patients for which the Powerlink Infrarenal Bifurcated ELG is indicated" * Unite "A phase II, Single-arm, Prospective Study of the Safety and Efficacy of the EndoFit Aorto-uni-iliac (AUI) Endoluminal Stent Graft for the Repair of Abdominal Aortic Aneurysms (AAAs) in Patients who are not Candidates for Conventional Surgical Repair of Repair with Commercially Available Bifurcated Endovascular Prostheses " * Gore 03-02 "A Clinical Study Evaluating the Use of the GORE EXCLUDER Bifurcated Endoprosthesis- 31mm In the Primary Treatment of Infrarenal Abdominal Aortic Aneurysms (AAA)" * CVRx "A Randomized, double-blind, parallel-group trial in patients diagnosed with drug resistant hypertension " * Choice "Carotid stenting for high surgical risk patients,Evaluating outcomes through the collection of clinical Evidence" * Vidaliptin "A multi-center, randomized, double-blind study to evaluate the efficacy and long-term safety of vildagliptin modified release (MR) as add-on therapy to metformin in patients with type 2 diabetes" * SUCCESS "Study of a Urethral Catheter Coated with Eluting Silver Salts" * Javelin "An Open-Label, Multiple-Dose, Multiple-Day, Non-Randomized, Single-Arm Safety Study of Repeat-Doses of DIC075V (Intravenous Diclofenac Sodium) In Patients with Acute Post Operative Pain" * Replica "RNA Expression Profiling of Lesions from In vivo Carotid Atherectomies" * MOXIE "An Exploratory Double-Blind, Placebo Controlled, Randomized, 12-Week Oral Dose Study to Evaluate the Effects of MK-0736 on Atherosclerotic Disease Biomarkers in Lower Extremity Plaque Excised from Patients with Peripheral Arterial Disease " * MOA-728 Multicenter, Randomized, Double-Blind, Placebo-Controlled, Parallel-Group Study of Intravenous Methylnaltrexone (MOA-728) for the Treatment of Postoperative Ileus after Ventral Hernia Repair * EFC10572 (SAVE-VEMED) "A Multinational, Multicenter, Randomized, Double-Blind Study Comparing the Efficacy and Safety of AVE5026 with enoxaparin for the Primary Prevention of Venous Thromboembolism in Acutely Ill Medical Patients with Restricted Mobility " * Takeda "A Randomized, Double-Blind, Placebo-Controlled Study of the Efficacy and Safety of TAK-242 versus Placebo in Subjects with Sepsis Induced Cardiovascular and Respiratory Failure " * Pfizer protocol A0081171 "A Randomized, Double-Blind Multi-Center Dose Ranging Study oF the Efficacy and Safety of Pregabalin Compared to Placebo in the Adjunctive Treatment of Post-Surgical Pain After Primary Inguinal Hernia Repair" * Save ABDO "A multinational, multicenter, randomized, double blind study comparing the Efficacy and Safety of AVE5026 with enoxaparin for the prevention of venous thromboembolism in patients undergoing major abdominal surgery"

Identifier	Return Reference	Explanation
		Medical Education Sacred Heart Health System believes that, in order to provide the best health care to the community, its clinical personnel must receive ongoing medical education * Sacred Heart has weekly grand rounds presentations for ongoing medical education and residency training for pediatrics and obstetrics & gynecology * Sacred Heart has monthly grand rounds presentations for ongoing medical education and residency training for adult and pediatric trauma These topics can be viewed online around the nation for CME credit * In August 2008, Sacred Heart hosted the second annual Maternal-Fetal Medicine Symposium designed for high-risk pregnancy clinicians * In September 2008, Sacred Heart Regional Stroke Center held a medical education conference on the latest advances in stroke care * In November 2008, Sacred Heart held a symposium on lung cancer for healthcare professionals * In January 2009, Sacred Heart hosted a Clinical Symposium designed for any physician or other healthcare professional interested in a variety of geriatrics diagnosis and treatment * In February 2009, Sacred Heart held a safety in the workplace seminar in conjunction with the Pensacola Police Department * In March 2009, Sacred Heart held a "Respiratory Care Update" for all area respiratory therapists * In March 2009, Sacred Heart Children's Hospital hosted the annual Baby Steps to the Future Symposium on caring for critically ill and/or premature infants in the neonatal intensive care unit * In April 2009, Sacred Heart held an emergency preparedness symposium for area healthcare workers * In May 2009, Sacred Heart Children's Hospital jointly sponsored a pediatrics symposium and Pediatric Advanced Life Support course in Destin designed for physicians in pediatrics and family medicine as well as other healthcare team members interested in the latest information on the clinical management of pediatric patients * As part of the affiliation between M D Anderson Physicians Network and Sacred Heart Health System, physicians at M D Anderson Cancer Center in Houston and oncologists and surgeons at Sacred Heart Hospital participate in monthly video conferences to discuss cancer cases and the latest treatments for breast cancer, lung cancer, prostate cancer and colon cancer In the spirit of principles adopted by Ascension Health, Sacred Heart Health System has taken proactive steps to address those issues that will affect accessibility, the financing, and the delivery of healthcare to all persons, especially the uninsured, underinsured, and the underserved During the fiscal year ending June 30, 2009, the estimated unreimbursed cost of services provided to the elderly, uninsured, and underinsured totaled $77,898,097 Sacred Heart Health System provides a substantial portion of its services to the elderly and poor During the fiscal year ending June 30, 2009, approximately 31% of the value of services rendered were to elderly patients under the Medicare program, and approximately 11% of the services were provided to patients who were deemed indigent under state, county, or Sacred Heart Health System Guidelines Sacred Heart Health System is driven by our mission to serve all personal, with special attention to those who are poor and vulnerable Every day, our financial counselors assist individuals who do not have health insurance Our health system provides assistance to uninsured patients who demonstrate need, based on incomes as well as their assets and the size of the medical bill Our financial assistance policies and programs are published on our website at http //www sacred-heart org/billing asp?ID=143 Additionally, available financial assistance policies are communicated to patients in the ER, Admitting and the Diagnostic Center via a brochure with FAQs about Patient's Payment Responsibility The "Guide To Your Hospital Bill" also outlines the payment options available to those in need of financial assistance Operations and governance Sacred Heart Health System * operates an emergency room that is open to all persons regardless of ability to pay, * has an open medical staff with privileges available to all qualified physicians in the area, * has a governing body in which independent persons representative of the community comprise a majority, * engages in medical or scientific research programs, * engages in the training and education of health care professionals, and * participates in Medicaid, Medicare, CHAMPUS, Tricare, and/or other government-sponsored health care programs Patient Services Sacred Heart Health System is a 466-bed medical-surgical acute care hospital in Pensacola, Florida The facility includes a 119-bed Children's Hospital, the only one in Northwest Florida Sacred Heart Hospital on the Emerald Coast is a 58-bed medical-surgical hospital located in Destin, FL In addition, ground was broken in June 2007 for a 25-bed community hospital in Port St Joe, FL, which is expected to open in March 2010 Sacred Heart Health System provides primary, secondary and tertiary health care services to the residents of Northwest Florida and South Alabama with special emphasis on service to the poor and those most in need Sacred Heart Health System provides the following in-patient and out-patient medical services to the community * A Pediatric Care Center and a Pediatric Dental Clinic providing services to low income children who otherwise might have no access to these specialized services * The Seton Center for Obstetrics and Gynecology, which provides services to low-income women eligible for Medicaid * Regional Heart & Vascular Institute From testing to treatment to recovery, our team of cardiologists, cardiothoracic surgeons, vascular surgeons, and interventional radiologists provide specialized care in all areas of cardiovascular care * Women's Hospital As the only Women's Hospital in Northwest Florida, Sacred Heart is the region's leading provider of women's services including specialized care for women with high-risk pregnancies, breast cancer, heart disease, osteoporosis, gynecologic cancer and more * Children's Hospital Provides a wide range of services from neonatal intensive care and a trauma center, to specialized services for children with chronic illnesses Children's Hospital is a partner with Nemours Children's Clinic in providing highly specialized care to children with complex medical or surgical problems * Cancer Center Comprehensive cancer program designed for outpatient and inpatient treatment for all types of cancer patients To enhance the level of cancer care in Northwest Florida, Sacred Heart Hospital is affiliated with M D Anderson Physicians Network(r) * Medical Group Physician offices throughout Northwest Florida and South Alabama, and include urgent care centers and physicians specializing in family medicine, internal medicine practices, Ob/Gyn and a number of other specialties * AIRHeart - Regional air ambulance service dedicated to transporting critically ill or injured patients to health care facilities throughout Northwest Florida AIRHeart has two helicopters that fly from bases in Walton County and Marianna, Florida * Haven of Our Lady of Peace Nursing Home A 120-bed nursing home operated by Sacred Heart Health System and Methodist Homes for the Aging located in Pensacola, FL * Wesley Haven Villa A 55-unit assisted living facility operated by Sacred Heart Health System and Methodist Homes for the Aging located in Pensacola, FL * Miracle Camp A camping and retreat center near Pensacola, FL for children and adults with chronic or life-threatening illnesses * Pediatric & OB/GYN Residency Programs affiliated with Florida State University College of Medicine Some of the services listed above operate at a loss in order to ensure that all services are available to meet community health care needs These include the health service, our pediatric clinics and Ob/Gyn clinics, our air ambulance service, OB/GYN Residency program, specialty and emergency room physician practices, and Sacred Heart's Miracle Camp During the fiscal year ending June 30, 2009 Sacred Heart Health System treated 29,647 adults and children in the community for a total of 130,641 patient days of service Sacred Heart Health System also provided services to 974,990 outpatients, including 10,394 outpatient surgery patients, and 114,247 emergency and minor care visits

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Identification of Disregarded Entities

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

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
Ascension Health PO Box 45998 St Louis, MO63145 31-1662309	National Health System	MO	section 501(c)(3)	Schedule A, Line 11a	N/A
Haven of Our lady of Peace 5151 N 9th Ave Pensacola, FL32504 59-3620346	Nursing Home	FL	section 501(c)(3)	Schedule A, Line 9	Sacred Heart Health System
Sacred Heart Foundation 5151 N 9th Ave Pensacola, FL32504 59-2436597	Foundation	FL	section 501(c)(3)	Schedule A, Line 7	Sacred Heart Health System
Sacred Heart Health Ventures 5151 N 9th Ave Pensacola, FL32504 57-1183283	Investment	FL	section 501(c)(3)	Schedule A, Line 11a	Sacred Heart Health System

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No
Interventional Rehabilitation Center LLC 1549 AIRPORT BLVD STE 420 Pensacola, FL32503 59-3673361	Medical Services	FL	N/A								
PET LLC 5149 North 9th Ave Suite 124 Pensacola, FL32504 59-3788701	Medical Services	FL	N/A								
Emerald Coast Radiation Oncology Center LLC 7720 Us Highway 98 W Miramar Beach, FL32550 68-0507481	Medical Services	FL	N/A								
Endoscopy Group LLC 4810 NORTH DAVIS HWY Pensacola, FL32503 59-3519881	Medical Services	FL	N/A								
Gulf Region Radiation Oncology MSO LLC 5147 N 9th Ave Pensacola, FL32504 26-0623827	Medical management Services	FL	Sacred Heart Health System Inc	related	1,157,800	8,027,196		No		Yes	

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
Gulf Coast Diversified Inc 5154 N 9th Ave Pensacola, FL32507 59-2432798	Investment	FL	Sacred Heart Health System Inc	C	729,355	15,916,422	100 000 %

Part V Transactions with Related Organizations

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

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

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)	Sacred Heart Foundation	P	443,518
(2)	Haven of Our Lady of Peace Inc	P	6,680,322
(3)	Gulf Coast Diversified Inc	Q	1,700,000
(4)	Gulf Coast Diversified Inc	P	767,685
(5)	Sacred Heart Foundation	C	13,872,578
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

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

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

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Form **4562**
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2008

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
Sacred Heart Health System Inc	Form 990 Page 10	59-0634434

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

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

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

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

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

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

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

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

Section A

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

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

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

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

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

Part IV **Summary** (See instructions)

21 Listed property Enter amount from line 28	**21**	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr	**22**	0
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

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

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

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

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

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

Section B—Information on Use of Vehicles

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

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

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

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

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (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**

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

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Form **4562**
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2008

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
Sacred Heart Health System Inc	RENTAL PROPERTY-VARIOUS LOCATIONS IN MET	59-0634434

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

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

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

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

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

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

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

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

Section A

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

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

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

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

Part IV **Summary** (See instructions)

21 Listed property Enter amount from line 28	21	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr	22	0
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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

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

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

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

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

Section B—Information on Use of Vehicles

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

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

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

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

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (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**

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