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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047
	The organization may have to use a copy of this return to satisfy state reporting requirements	2008 Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009				
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization St Mary's Hospital & Clinics Inc		D Employer identification number 82-0226453
		Doing Business As		E Telephone number (208) 962-3251
		Number and street (or P O box if mail is not delivered to street address) PO Box 137	Room/suite	G Gross receipts \$ 17,411,871
		City or town, state or country, and ZIP + 4 Cottonwood, ID 83522		
	F Name and address of Principal Officer Colleen Meza PO Box 137 Cottonwood, ID 83522		H(a) Is this a group return for affiliates? ☐ Yes ☒ No	
I Tax-exempt status ☒ 501(c) (3) (Insert no) ☐ 4947(a)(1) or ☐ 527		H(b) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list See instructions)		
J Web site: WWW SMH-CVHC.ORG		H(c) Group Exemption Number 0928		
K Type of organization ☒ Corporation ☐ trust ☐ association ☐ other			L Year of Formation 1957	M State of legal domicile ID

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities See schedule O		
	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	<u>12</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>11</u>
	5	Total number of employees (Part V, line 2a)	5	<u>268</u>
	6	Total number of volunteers (estimate if necessary)	6	<u>28</u>
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	<u>0</u>
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	<u>0</u>
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	226,246	182,965
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	17,344,500	17,100,905
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	323,569	-303,810
	12	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,045	60,527
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	17,897,360	17,040,587
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	10,459,605	10,937,650
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	(Total fundraising expenses, Part IX, column (D), line 25 <u>77,335</u>)		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	6,028,536	5,970,291
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	16,488,141	16,907,941
	19	Revenue less expenses Subtract line 18 from line 12	1,409,219	132,646
	Net Assets or Fund Balances		Beginning of Year	End of Year
20		Total assets (Part X, line 16)	15,027,715	14,345,910
21		Total liabilities (Part X, line 26)	2,062,817	2,231,494
22		Net assets or fund balances Subtract line 21 from line 20	12,964,898	12,114,416

Part II Signature Block

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge			
	Signature of officer			2010-05-03 Date
	Lenne Bonner Chief Financial Officer Type or print name and title			
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed ☐	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN
				Phone no

Part IIStatement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission
See schedule O

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 \$ 14,555,584 including grants of \$) (Revenue \$ 17,100,905)

See Schedule O

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 \$ 14,555,584 Must equal Part IX, Line 25, column (B).

Form 990 (2008)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a9		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a268		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		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, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	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		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
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

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

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	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?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed ID
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. LENNE BONNER 701 LEWISTON ST Cottonwood, ID 83522 (208) 962-3251

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

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

[illegible]

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
1b Total									1,551,151	647,288	329,597

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **10**

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	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
ECHC 503 E 3rd St DULUTH, MN 55805	Support Services	385,044
Radiology Consultants PO Box 9105 MOSCOW, ID 83843	Radiology Services	278,910
DMS Imaging PO Box 86 MINNEAPOLIS, MN 55486	Mobile Radiology Srv	155,755
Gritman Medical Center 700 S Main St MOSCOW, ID 83843	Radiology Services	153,936
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization		4

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						
	e	Government grants (contributions) 1e	71,944					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	111,021					
	g	Noncash contributions included in lines 1a-1f \$ 26,336						
	h	Total (Add lines 1a-1f)	182,965					
	Program Service Revenue	2a	HOSPITAL & CLINIC SERVICES	621,110	17,100,905	17,100,905		
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f \$ 17,100,905						
Other Revenue		3	Investment income (including dividends, interest other similar amounts)	67,474			67,474	
		4	Income from investment of tax-exempt bond proceeds	0				
	5	Royalties	0					
	6a	Gross Rents	(i) Real	(ii) Personal			3,638	
			3,638					
			3,638					
			Net rental income or (loss)	3,638				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			371,284					
			-371,284					
			Net gain or (loss)	-371,284				
	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	CAFETERIA SALES	722,210	38,490			38,490		
b	FITNESS DUES	713,940	13,450			13,450		
c	MEDICAL RECORD COPIES	561,439	3,648			3,648		
d	All other revenue		1,301			1,301		
e	Total. Add lines 11a-11d \$ 56,889							
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		17,040,587	17,100,905		-243,283		

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	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	344,697	284,114	60,583	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	8,542,515	7,630,009		56,964
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	386,976	345,718	38,663	2,595
9	Other employee benefits	1,073,472	961,802	104,595	7,075
10	Payroll taxes	589,990	525,784	60,406	3,800
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	349		349	
c	Accounting	24,583		24,583	
d	Lobbying	1,694		1,694	
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	16,469		16,469	
g	Other	1,666,925	999,836	666,597	492
12	Advertising and promotion	28,175	7,737	19,719	719
13	Office expenses	2,320,860	1,988,979	328,835	3,046
14	Information technology	0			
15	Royalties	0			
16	Occupancy	166,441	157,620	8,821	
17	Travel	118,677	84,653	32,204	1,820
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	81,084	73,324	6,936	824
20	Interest	27,355	27,355		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	607,110	607,110		
23	Insurance	233,676	233,676		
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	BAD DEBTS	595,111	595,111		
b	DUES & SUBSCRIPTIONS	70,787	32,756	38,031	
c	MISCELLANEOUS	8,153		8,153	
d	RECRUITMENT	2,842		2,842	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	16,907,941	14,555,584	2,275,022	77,335
26	Joint Costs. Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X **Balance Sheet**

		(A)		(B)		
		Beginning of year		End of year		
Assets	1 Cash—non-interest-bearing	0	1	430		
	2 Savings and temporary cash investments	1,564,846	2	2,278,875		
	3 Pledges and grants receivable, net	52,912	3	74,836		
	4 Accounts receivable, net	3,359,389	4	3,472,013		
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5			
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6			
	7 Notes and loans receivable, net	0	7	2,000		
	8 Inventories for sale or use	425,818	8	422,064		
	9 Prepaid expenses and deferred charges	12,172	9	41,879		
	10a Land, buildings, and equipment—cost basis	<table><tr><td>10a</td><td>10,155,091</td></tr></table>	10a	10,155,091		
	10a	10,155,091				
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	<table><tr><td>10b</td><td>5,197,475</td></tr></table>	10b	5,197,475	5,185,639	10c 4,957,616
	10b	5,197,475				
	11 Investments—publicly traded securities		11			
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	3,410,224	12	2,796,799		
	13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>	299,600	13	299,398		
14 Intangible assets		14				
15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	717,115	15	0			
16 Total assets. Add lines 1 through 15 (must equal line 34)	15,027,715	16	14,345,910			
Liabilities	17 Accounts payable and accrued expenses	1,198,487	17	1,694,012		
	18 Grants payable		18			
	19 Deferred revenue		19			
	20 Tax-exempt bond liabilities		20			
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21			
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22			
	23 Secured mortgages and notes payable to unrelated third parties		23			
	24 Unsecured notes and loans payable	852,034	24	524,479		
	25 Other liabilities <i>Complete Part X of Schedule D</i>	12,296	25	13,003		
	26 Total liabilities. Add lines 17 through 25	2,062,817	26	2,231,494		
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	12,247,783	27	12,114,416		
	28 Temporarily restricted net assets	717,115	28	0		
	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	12,964,898	33	12,114,416		
	34 Total liabilities and net assets/fund balances	15,027,715	34	14,345,910		

Part XI **Financial Statements and Reporting**

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization St Mary's Hospital & Clinics Inc	Employer identification number 82-0226453
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Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

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

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

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

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

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

Computation of Investment Income Percentage		
17Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18Investment Income Percentage from 2007 Schedule A, Part IV -A, line 27h	18	
19a33 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		
b33 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		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

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

Facts and Circumstances Test

SCHEDULE 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 990-EZ, 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 St Mary's Hospital & Clinics Inc	Employer identification number 82-0226453
--	--

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: Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000 The lobbying nontaxable amount is: 20% of the amount on line 1e \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$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)		(b)
		Yes	No	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)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		1,694
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			1,694
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?		No	

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 (<i>do not include amounts of political expenses for which the section 527(f) tax was paid</i>).	
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
Schedule C, Part II-B		St Mary's Hospital & Clinics, Inc. pays dues to certain organizations related to the industry which have lobbying expenses. The amount listed is the percentage of dues paid that were used for lobbying.

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 St Mary's Hospital & Clinics Inc	Employer identification number 82-0226453
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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											
		<table><tr><th></th><th>Held at the End of the Year</th></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶											
4	Number of states where property subject to conservation easement is located ▶											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes☐ No											
6	Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ▶											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes☐ No											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

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

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$
	(ii) Assets included in Form 990, Part X	▶ \$
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$
b	Assets included in Form 990, Part X	▶ \$

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

Yes

No

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		450,191		450,191
b Buildings		3,605,809	1,478,456	2,127,353
c Leasehold improvements				
d Equipment		5,995,941	3,719,019	2,276,923
e Other		103,150		103,150
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				4,957,617

Schedule D (Form 990) 2008

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other POOLED INVESTMENT	2,796,799	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ▶	2,796,799	

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
RELATED TAX-EXEMPT ORG REC	299,398	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
FIN 47 ASSET RETIREMENT OBLIGATION	13,003
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	13,003

Schedule D (Form 990) 2008

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule D, Part X		St Mary's Hospital & Clinics, Inc financial statements were audited by an independent accountant as part of Essentia Health's consolidated financial statements During 2008, Essentia adopted FASB Interpretation No 48, Accounting for Uncertainty in Income Tax - an interpretation of FASB Statement No 109, Accounting for Income Taxes The adopting of this interpretation had no material impact on the consolidated financial statements

SCHEDULE H
(Form 990)

Hospitals

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
St Mary's Hospital & Clinics Inc

Employer identification number
82-0226453

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 <i>free</i> 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 _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> 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 _____ % 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"?	3a	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c	
6a	Does the organization prepare an annual community benefit report?	6a	
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 <i>worksheets 1 and 2</i>) . . .						
b Unreimbursed Medicaid (from <i>worksheet 3, column a</i>) . . .						
c Unreimbursed costs—other means-tested government programs (from <i>worksheet 3, column b</i>)						
d Total Charity Care and Means-Tested Programs . . .						
Other Benefits						
e Community health improvement services and community benefit operations (from <i>worksheet 4</i>)						
f Health professions education (from <i>worksheet 5</i>)						
g Subsidized health services (from <i>worksheet 6</i>)						
h Research (from <i>worksheet 7</i>)						
i Cash and in-kind contributions to community groups (from <i>worksheet 8</i>)						
j Total Other Benefits						
k Total (line 7d and 7j)						

Part IICommunity 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 IIIBad Debt, Medicare, & Collection Practices

(Optional for 2008)

Section A. Bad Debt Expense

1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	Yes	No
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 Medicare (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 IVManagement 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				

[illegible]

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

[illegible]

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 communities served

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

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
St Mary's Hospital & Clinics Inc

Employer identification number
82-0226453

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account	☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
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		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations	☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		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				
Michael Hedrix	(i)	0	0	0	0	0	0	0
	(ii)	237,296	28,632	36,303	47,357	22,089	371,677	152,012
Colleen Meza	(i)	0	0	0	0	0	0	0
	(ii)	187,328	18,235	46,718	50,767	8,023	311,071	137,589
Andrew Gilbert MD	(i)	167,980	79,427	0	14,729	12,958	275,094	110,199
	(ii)	0	0	0	0	0	0	0
Andrew Jones MD	(i)	244,959	130,799	0	22,313	13,667	411,738	177,783
	(ii)	0	0	0	0	0	0	0
Ronald Sigler MD	(i)	210,188	73,669	0	16,868	15,509	316,234	135,152
	(ii)	0	0	0	0	0	0	0
Jermey Ostrander MD	(i)	167,550	50,343	0	12,976	16,087	246,956	0
	(ii)	0	0	0	0	0	0	0
Jack Casteel Bruner II MD	(i)	177,335	38,251	0	12,806	15,621	244,013	104,202
	(ii)	0	0	0	0	0	0	0
Alvin J Secrest III MD	(i)	176,243	34,407	0	12,449	12,489	235,588	103,214
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

[illegible]

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
St Mary's Hospital & Clinics Inc

Employer identification number
82-0226453

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other (describe <u>Electronics</u>)	X	1	26,336	FMV
26 Other (describe _____)				
27 Other (describe _____)				
28 Other (describe _____)				

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

290

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

30aNo

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

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

31No

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

32aNo

b If "Yes", describe in Part II

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

[illegible]

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
St Mary's Hospital & Clinics Inc

Employer identificat ion number
82-0226453

Identifier	Return Reference	Explanation
Form 990, Part I, Line 1		St Mary's Hospital & Clinics, Inc is a health & human service organization entrusted with the furtherance of the health care mission of the Sisters of St Scholastica Priory The hospital & clinics, therefore, are committed to witness God's love for all people, with special concern for the poor & powerless This mission is accomplished by the provision of competent, compassionate health & wellness services in an environment which enhances human worth

Identifier	Return Reference	Explanation
Form 990, Part III, Line 1		St Mary's Hospital & Clinics, Inc is a health & human service organization entrusted with the furtherance of the health care mission of the Sisters of St Scholastica Priory The hospital & clinics, therefore, are committed to witness God's love for all people, with special concern for the poor & powerless This mission is accomplished by the provision of competent, compassionate health & wellness services in an environment which enhances human worth

Identifier	Return Reference	Explanation
Form 990, Part III, Line 4a		St Mary's Hospital & Clinics, Inc is created & organized exclusively for charitable, religious, educational & scientific purposes St Mary's Hospital & Clinics, Inc is created & organized to own, maintain, operate & conduct, directly or indirectly, & to assist & coordinate activities of facilities for health care, education, care for the aged & social services in accordance with the charitable works tradition of the Roman Catholic Church In keeping with this specific purpose, all works shall be carried out in accordance with the charism of the Benedictine Sisters Benevolent Association, a Minnesota nonprofit corporation In keeping with its mission, St Mary's is committed to serve all members of its communities by providing free care and/or subsidized care, care for the persons covered by governmental programs at below cost, & providing health activities & programs to support the community During fiscal year 2009, St Mary's had 1,175 admissions involving 3,866 hospital patient days & 36,715 outpatient visits in the hospital, emergency room, & clinics Charity care is provided through many reduced price services & free programs offered throughout the year based upon activities & services which St Mary's believes will serve a bona fide need These include health fairs, immunizations clinics, health education classes, rural education training, & wellness programs St Mary's provided nearly \$135,000 in charity care as well as an additional \$183,000 of costs incurred in excess of Medicaid payments received during the fiscal year ended June 30, 2009 Further community benefits provided during the fiscal year include education and workforce development of over \$125,000, community services of over \$89,000, and cash & in-kind donations of over \$20,000

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 2		Lenne Bonner, current officer, & Bryan Higgins, current director, have a family relationship

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 7b		St Mary's Hospital & Clinics, Inc is a subsidiary of Essentia Health, whose Board of Directors has reserved powers with respect to this corporation and its subsidiaries, and all of the other direct and indirect subsidiaries of Essentia Health (collectively, the "System") Essentia Health's reserved powers are as follows Strategic and Business Plans Authority to create, and to approve, the System's strategic and business plans Mission Authority to create, and to approve, the mission, purpose and vision statements for all entities in the System by the affirmative vote of at least 67% of the Essentia Health board of directors Debt Approval of the incurrence of debt by, and the creation of all mortgages, liens, security interests, or other encumbrances on the assets of, all entities in the System in excess of the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors, and the authority to cause all entities in the System to participate in System borrowing Governing Instruments Authority to cause, and to approve, amendments of the articles of incorporation and bylaws of all entities in the System Mergers and Acquisitions Authority to cause, and to approve, all mergers, consolidations, and dissolutions of all entities in the System Affiliations and Joint Ventures Authority to cause, and to approve, all affiliations, joint ventures and other alliances with third parties of all entities in the System Transfer of Assets Within the System Authority to transfer assets, including cash, between and among entities within the System, provided, however, that Essentia Health shall not have authority to require any entity in the System to transfer assets (a) that would cause such entity to be in default of its covenants or obligations under any bond or other financing documents, (b) from the Catholic entities to the secular entities or from the secular entities to the Catholic entities in a manner or to an extent that would cause the Catholic entities to be in violation of the Ethical and Religious Directives for Catholic Health Care Services in the judgment of the local ordinary, or (c) such that money generated by services at secular facilities within the System by procedures that are contrary to the Ethical and Religious Directives for Catholic Health Care Services would be used at the Catholic entities or money generated by Catholic entities would be used in the providing of services contrary to the Ethical and Religious Directives for Catholic Health Care Services at secular facilities within the System Transfer of Assets Outside the System Authority to cause, and to approve, the sale, lease or other transfer of assets of all entities in the System to parties outside of the System when the asset's value exceeds the single or annual aggregate dollar limits prescribed in writing by the Essentia Health board of directors Services Authority to cause, and to approve, the addition of new services and service locations and the discontinuance of services and service locations within all entities in the System Budgets Approval of capital and operating budgets of all entities in the System Professional Services Selection of the general legal counsel and external auditors of all entities in the System Acquisitions Authority to cause, and to approve, all acquisitions by and formations of entities in the System Marketing, Authority to implement System-wide marketing and promotional activities Compliance Plans Authority to create, and to approve, corporate compliance, safety and risk management plans for entities within the System Quality Plan Authority to create, and to approve, the System's quality plan Non-Budgeted Purchases Approval of non-budgeted capital purchases and leases in excess of the single or annual aggregate dollar limits prescribed in writing by Essentia Health for entities within the System Human Resources Authority to create human resource policies and procedures within the System Reserved Powers Authority to create additional Essentia Health reserved powers by the affirmative vote of at least 80% of the Essentia Health board of directors (excluding the Essentia Health CEO), provided, however, that any additional Essentia Health reserved powers shall not contravene or hinder the reserved powers of Benedictine Sisters Benevolent Association The Benedictine Sisters Benevolent Association ("BSBA") also has certain reserved powers over all Catholic facilities within Essentia Health BSBA's reserved powers are as follows Subject to any approvals that are required under applicable canon law and the prior written notice to ECHC required by Section 2.10 of the Amended and Restated Affiliation Agreement by and among Benedictine Sisters Benevolent Association, Essentia Health, ECHC, and St Mary's Duluth Clinic Health System dated as of December 21, 2007 (the "Affiliation Agreement"), and to Essentia Health as required by Section 2.11 thereof, Benedictine Sisters Benevolent Association shall have the following powers which shall be exercised by action of the Benedictine Sisters Benevolent Association board of directors unless otherwise provided with respect to all ecclesiastical goods and Catholic facilities and entities within the System (as defined in the Affiliation Agreement, as amended) Mission Authority to approve the mission, purpose and vision statements for Catholic facilities and entities within the System Adherence to Ethical Religious Directives (ERDs) Authority to approve the methods, policies and procedures pertaining to the adherence of Catholic facilities and entities within the System to the ERDs, and to require the use of religious symbols, distinguishing elements and prayers Official Catholic Directory Authority to request the listing of qualified entities and facilities within the System in The Official Catholic Directory, subject to the approval of applicable Catholic authorities Catholic Health Association Authority to require Catholic facilities and entities within the System to join the membership of the Catholic Health Association of the United States Alienation of Stable Patrimony or Ecclesiastical Goods Authority to approve alienation of either stable patrimony or other ecclesiastical goods in the System if such goods involved in a specific transaction approved by Essentia Health pursuant to Section 2.8(g) or 2.8(h) of the Affiliation Agreement have a dollar value equal to or greater than 70% of the amount established from time to time that requires approval from the Holy See Amendments Authority to approve any amendments to the Articles of Incorporation or Bylaws of this corporation that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of this corporation's board of directors, authority to approve any amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic ECHC & SMDC Subsidiaries (as defined in the Affiliation Agreement), which could materially affect such entity's identity as a Catholic institution, including without limitation any amendment that would alter the number of Benedictine Sisters of St Scholastica Monastery of Duluth or Benedictine Sisters Benevolent Association board of director members serving as members of such entity's board of directors, and authority to cause Essentia Health to make amendments to the Articles of Incorporation or Bylaws of the Supported Organizations, as well as the Catholic ECHC & SMDC Subsidiaries, which amendments Benedictine Sisters Benevolent Association in good faith are necessary to preserve such entity's identity as a Catholic institution Mission Effectiveness Authority to approve annual plans and evaluations relating to mission effectiveness and chaplaincy for the Catholic facilities and entities within the System Mergers and Dissolution Subject to the approval of the Benedictine Sisters of St Scholastica Monastery of Duluth, authority to approve a proposed merger, consolidation, liquidation, dissolution, or the disposition of all or substantially all the assets

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 10		The 2008 Form 990 including all schedules were reviewed by St Mary's Hospital & Clinics, Inc 's management and governing body on Tuesday, April 13th, 2010 prior to filing with the Internal Revenue Service Each current director of the governing body, as listed in Part VII Section A Line 1a, received a copy of the 2008 Form 990 St Mary's Hospital & Clinics, Inc 's Chief Financial Officer led the review of the forms and schedules and any questions were discussed

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 12a		St Mary's Hospital & Clinics, Inc did have a written conflict of interest policy in place as of June 30, 2009 However, upon subsequent review, the policy did not meet the IRS guidelines per Form 990, Part VI, Line 12a instructions A new written conflict of interest policy has subsequently been adopted now meeting these guidelines

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 13		St Mary's Hospital & Clinics, Inc did not have a written whistleblower policy in place as of June 30, 2009 A written whistleblower policy has subsequently been adopted

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 14		St Mary's Hospital & Clinics, Inc did have a written document retention & destruction plan in place as of June 30, 2009 However, upon subsequent review, the policy was limited in scope A new written document retention & destruction policy, now broader in scope, has subsequently been adopted

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 15a		As an employee of ECHC, St Mary's Hospital & Clinics, Inc CEO's compensation is reviewed and approved by the ECHC's Compensation Committee The purpose of the ECHC Compensation Committee (the "Committee") is to determine the reasonableness of and approve the compensation of ECHC executives consistent with the ECHC and Essentia Health compensation philosophy The philosophy is to insure that the organization is able to attract, retain and motivate employees as well as provide the opportunity for adjustments to compensation based upon performance The Committee will consist of members of the ECHC Board of Directors who are not ECHC employees The compensation review will include all benefits paid to the ECHC executives The ECHC executives to be reviewed will include all senior/executive vice presidents, all vice presidents, all directors and all ECHC facility administrators/CEOs The ECHC CEO and CFO compensation will be reviewed and approved by the Essentia Health Board of Directors Compensation Committee The Committee will meet at least annually to determine the reasonableness of executive compensation as proposed by ECHC management consistent with the ECHC compensation philosophy and to approve the proposed compensation ECHC management (HR) will (i) monitor trends in the marketplace on an annual basis and, when appropriate, make recommendations to the Committee regarding overall salary range adjustments prior to the annual budgeting process, and (ii) review the market competitiveness of all ECHC executive positions at least once every two years Prior to making its determination, the Committee will obtain and rely upon appropriate data as to comparability ECHC will contract with an outside third party to conduct market pricing analysis for the ECHC executives as well as salary range development The Committee will adequately document the basis for its determination concurrently with making that determination The Committee minutes shall include A The terms of the approved compensation and the date approved, B The Committee members present during the review, discussion and approval of the proposed compensation and those who voted on the proposed compensation, C Identification of the comparability data obtained and relied upon by the Committee and how the data was obtained, D Any actions by a Committee member having a conflict of interest, and E Documentation of the basis for the determination before the later of the next meeting of the ECHC Board of Directors or sixty (60) days after the final actions of the Committee are taken The ECHC Board of Directors shall approve the minutes as reasonable, accurate and complete within a reasonable time thereafter The year this process was last undertaken for St Mary's Hospital & Clinics, Inc 's CEO was 2009

Identifier	Return Reference	Explanation
Form 990, Part VI, Line 19		St Mary's Hospital & Clinics, Inc makes its governing documents, conflict of interest policy, and financial statements available to the public St Mary's Hospital & Clinics, Inc governing documents, conflict of interest policy, and financial statements are available to the public upon request St Mary's Hospital & Clinics, Inc is part of Essentia Health's consolidated financials statements which are included in Essentia Health's annual report which is posted on Essentia Health's web site

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 2		St Mary's Hospital & Clinics, Inc financial statements were audited by an independent accountant as part of Essentia Health's consolidated financial statements only The consolidated audit is reviewed by the Essentia Health Finance Planning & Audit Committees

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 3		St Mary's Hospital & Clinics, Inc, as part of Essentia Health's consolidated financial statements, was required & underwent a consolidated audit set forth in the Single Audit Act & OMB Circular A-133 The consolidated audit is reviewed by the Essentia Health Audit Committee

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public Inspection

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

Name of the organization
St Mary's Hospital & Clinics Inc

Employer identification number
82-0226453

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

Part II Identification of Related Tax-Exempt Organizations					
(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
See Additional Data Table					

Part III

Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of- year assets	(H) Disproprtionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No

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
Essentia Health Insurance Services SPC Buckingham Sq 720 W Bay Rd PO 69 Grand Cayman, Cayman Islands KY1-1102 CJ	Insurance	CJ	NA	Foreign Corp	0	0	0 %

Part V

Transactions with Related Organizations

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

Yes

Yes

No

Yes

Yes

No

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) Clearwater Valley Hospital and Clinics Inc	n	1,276,838
(2) Clearwater Valley Hospital and Clinics Inc	o	299,037
(3) Clearwater Valley Hospital and Clinics Inc	p	510,321
(4) ECHC	l	370,476
(5) ECHC	o	1,368,447
(6)		

Schedule R (Form 990) 2008

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

[illegible]

Software ID:

Software Version:

EIN: 82-0226453

Name: St Mary's Hospital & Clinics Inc

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
Brainerd Lakes Integrated Health System 2024 S 6th St Brainerd, MN56401 37-1532145	Supporting	MN	501(c)(3)	11 Type II	ECHC
Brainerd Medical Center Inc 2024 S 6th St Brainerd, MN56401 37-1532148	Clinic	MN	501(c)(3)	3	BLIHS
Bridges Medical Center Inc 201 9th St W Ada, MN56510 20-0479568	Clinic/Hosp	MN	501(c)(3)	3	ECHC
Clearwater Valley Hospital & Clinics Inc 301 Cedar Orofino, ID83544 82-0497771	Clinic/Hosp	ID	501(c)(3)	3	ECHC
Divine Medical Services 709 N Lincoln Jerome, ID83338 20-2773717	Emergency Srv	ID	501(c)(3)	3	SBFMC
DL Surgery Center 1027 Washington Ave Detroit Lakes, MN56501 26-3837203	ASC	MN	501(c)(3)	3	ECHC
ECHC Foundation 052 E 2nd St Duluth, MN55805 26-3359418	Foundation	MN	501(c)(3)	11 Type I	ECHC
ECHC 503 E 3rd St Ste 400 Duluth, MN55805 26-1219624	Supporting	MN	501(c)(3)	11 Type II	Essentia
St Benedict's Family Medical Center 709 N Lincoln Jerome, ID83338 82-0227163	Clinic/Hosp	ID	501(c)(3)	3	ECHC
St Joseph's Medical Center 523 N 3rd St Brainerd, MN56401 41-0695602	Hospital	MN	501(c)(3)	3	BLIHS
St Mary's EMS 1027 Washington Ave Detroit Lakes, MN56501 41-1805811	Emergency Srv	MN	501(c)(3)	9	SMRHC
St Mary's Innovis Health 1027 Washington Ave Detroit Lakes, MN56501 26-2861321	Clinic	MN	501(c)(3)	3	ECHC
St Mary's Regional Health Center 1027 Washington Ave Detroit Lakes, MN56501 41-1620386	Clinic/Hosp	MN	501(c)(3)	3	ECHC
Essentia Health 502 E 2nd St Duluth, MN55805 20-0360007	Supporting	MN	501(c)(3)	11 Type II	N/A
Innovis Health LLC (11108 - 63009) 1702 S University Dr Fargo, ND58103 26-1175213	Clinic/Hosp	DE	501(c)(3)	3	Essentia
Midwest Medical Equipment & Supply Inc 4418 Haines Rd Duluth, MN55811 41-1674021	Medical Equip	MN	501(c)(3)	9	SMDC
SMDC Medical Center 502 E 2nd St Duluth, MN55811 41-1878730	Clinic/Hosp	MN	501(c)(3)	3	SMDC
Pine Medical Center 109 Court Ave S Sandstone, MN55072 41-1884597	Clinic/Hosp	MN	501(c)(3)	3	SMDC
Polinsky Medical Rehabilitation Center 530 E 2nd St Duluth, MN55805 41-0691275	Clinic/Hosp	MN	501(c)(3)	3	SMMC
St Mary's Duluth Clinic Foundation 400 E 3rd St Duluth, NM55805 41-2016979	Foundation	MN	501(c)(3)	7	SMDC
St Mary's Duluth Clinic Health System 407 E 3rd St Duluth, MN55805 41-1836633	Clinic/Hosp	MN	501(c)(3)	3	Essentia
St Mary's Hospital of Superior 3500 Tower Ave Superior, WI54880 41-1811073	Clinic/Hosp	WI	501(c)(3)	3	SMMC
St Mary's Medical Center 407 E 3rd St Duluth, MN55805 41-0695604	Clinic/Hosp	MN	501(c)(3)	3	SMDC
The Duluth Clinic Ltd 400 E 3rd St Duluth, MN55805 41-0883623	Clinic/Hosp	MN	501(c)(3)	3	SMDC

Additional Data

Software ID:

Software Version:

EIN: 82-0226453

Name: St Mary's Hospital & Clinics 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-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Gordon Harman , Board Chair	1 0	X		X				0	0	0
Marjorie Kuchynka , Board Vice Chair	1 0	X		X				0	0	0
Marguerite McLaughlin , Board Secretary/Treasurer	1 0	X		X				0	0	0
Larry Coonts , Board Director	1 0	X						0	0	0
Maurice Masar , Board Director	1 0	X						0	0	0
Gary Rehder , Board Director	1 0	X						0	0	0
Dan Davis , Board Director	1 0	X						0	1,500	0
Sister Mary Rochefort , Board Director	1 0	X						0	0	0
Sister Barbara Jean Glodowski , Board Director	1 0	X						0	0	0
Bryan Higgins , Board Director	1 0	X						0	0	0
Lee Pippenger , Board Director	1 0	X						0	0	0
Michael Hedrix , Board Director	1 0	X						0	302,231	69,446
Colleen Meza , Chief Executive Officer	40 0			X				0	252,281	58,790
Lenne Bonner , Chief Financial Officer	40 0			X				0	91,276	22,889
Andrew Gilbert MD , Physician	40 0				X			247,407	0	27,687
Andrew Jones MD , Physician	40 0					X		375,758	0	35,980
Ronald Sigler MD , Physician	40 0					X		283,857	0	32,377
Jermey Ostrander MD , Physician	40 0					X		217,893	0	29,063
Jack Casteel Bruner II MD , Physician	40 0					X		215,586	0	28,427
Alvin J Secrest III MD , Physician	40 0					X		210,650	0	24,938