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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047  <b>2009</b>
	The organization may have to use a copy of this return to satisfy state reporting requirements	<b>Open to Public Inspection</b>

<b>A For the 2009</b> <b>calendar year, or tax year beginning 04-01-2009 and ending 03-31-2010</b>				
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C Name of organization</b> FREEMAN HEALTH SYSTEM		<b>D Employer identification number</b> 43-1704371
		Doing Business As FREEMAN HOSPITAL		<b>E Telephone number</b> (417) 347-1111
		Number and street (or P O box if mail is not delivered to street address) 1102 WEST 32ND STREET	Room/suite	<b>G Gross receipts \$</b> 542,701,477
		City or town, state or country, and ZIP + 4 JOPLIN, MO 64804		
	<b>F Name and address of principal officer</b> GARY DUNCAN 1102 WEST 32ND STREET JOPLIN, MO 64804		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶	
<b>I Tax-exempt status</b> <input checked="" type="checkbox"/> 501(c) ( 3 ) <input type="checkbox"/> (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J Website:</b> ▶ WWW.FREEMANHEALTH.COM				
<b>K Form of organization</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation</b> 1922	<b>M State of legal domicile</b> MO	

## Part I Summary

Activities & Governance	<b>1</b>	Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE THROUGH CONTEMPORARY, INNOVATIVE, QUALITY HEALTHCARE SOLUTIONS		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	14
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	10
	<b>5</b>	Total number of employees (Part V, line 2a) . . . . .	<b>5</b>	4,200
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	22
	<b>7a</b>	Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	7,747,650
	<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	-466,230
Revenue	<b>8</b>	Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year 699,025	Current Year 875,201
	<b>9</b>	Program service revenue (Part VIII, line 2g) . . . . .	406,626,444	422,143,471
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	-1,146,853	9,128,472
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,175,497	2,434,862
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	408,354,113	434,582,006
	Expenses	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	
<b>14</b>		Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0
<b>15</b>		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	209,119,891	214,675,774
<b>16a</b>		Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0
<b>b</b>		Total fundraising expenses (Part IX, column (D), line 25) <u>572,586</u>		
<b>17</b>		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	200,197,701	207,555,455
<b>18</b>		Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	409,317,592	423,219,664
<b>19</b>		Revenue less expenses Subtract line 18 from line 12 . . . . .	-963,479	11,362,342
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	<b>20</b>	Total assets (Part X, line 16) . . . . .	326,901,970	341,443,410
	<b>21</b>	Total liabilities (Part X, line 26) . . . . .	208,154,390	199,678,246
	<b>22</b>	Net assets or fund balances Subtract line 21 from line 20 . . . . .	118,747,580	141,765,164

<b>Part II</b>	<b>Signature Block</b>
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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			2011-02-10 Date	
	STEVE GRADDY CFO Type or print name and title				
Paid Preparer's Use Only	Preparer's signature  Brian D Todd		Date	Check if self-employed 	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4  BKD LLP 910 E ST LOUIS 200/PO BOX 1190 SPRINGFIELD, MO 658062523			EIN 	
				Phone no  (417) 865-8701	

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

**Part III** Statement of Program Service Accomplishments

**1** Briefly describe the organization’s mission

TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE THROUGH CONTEMPORARY, INNOVATIVE, QUALITY HEALTHCARE SOLUTIONS SEE SCHEDULE O FOR ADDITIONAL INFORMATION

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

If “Yes,” describe these new services on Schedule O

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

















If “Yes,” describe these changes on Schedule O

**4** Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

<b>4a</b>	(Code ) (Expenses \$ 282,521,868 including grants of \$ ) (Revenue \$ 214,699,038 )
	FREEMAN OFFERS OUTPATIENT SERVICES INCLUDING CANCER CARE, EMERGENCY MEDICINE, WOMEN'S SERVICES, DIALYSIS, HYPERBARIC OXYGEN THERAPY AND WOUND CARE, NEUROLOGY, ORTHOPAEDICS, OTOLARYNGOLOGY, GERIATRIC CARE, PHARMACIES, WALK-IN CLINICS, HOME CARE, OCCUPATIONAL MEDICINE, OUTPATIENT SURGERY, REHABILITATION THERAPIES, HEART AND VASCULAR SERVICES, RADIOLOGY, LABORATORY SERVICES, AND MORE SEE SCHEDULE O FOR ADDITIONAL INFORMATION
<b>4b</b>	(Code ) (Expenses \$ 89,550,151 including grants of \$ ) (Revenue \$ 180,341,252 )
	FREEMAN HOSPITALS IN JOPLIN PROVIDES A WIDE ARRAY OF INPATIENT SERVICES INCLUDING GENERAL, NEUROLOGICAL, ORTHOPAEDIC, AND HEART SURGERIES FREEMAN PROVIDES SERVICE TO PATIENTS THROUGH GENERAL MEDICAL, ONCOLOGY, INTENSIVE CARE, MATERNAL, PEDIATRIC, CANCER, PSYCHIATRIC, GERIATRIC PSYCHIATRIC, SKILLED NURSING, AND REHABILITATION UNITS MATERNAL SERVICES IS EXPLORED IN DEPTH IN A SEPARATE SECTION OF THIS NARRATIVE SEE SCHEDULE O FOR ADDITIONAL INFORMATION
<b>4c</b>	(Code ) (Expenses \$ 17,988,240 including grants of \$ ) (Revenue \$ 19,355,531 )
	DESIGNED TO GIVE NEW MOTHERS AND THEIR FAMILIES THE COMFORTS OF HOME WITHIN THE SECURITY OF A HOSPITAL, FREEMAN MATERNITY CENTER DELIVERED 2,522 BABIES IN FY 2010 THE UNIT INCLUDES BOARD-CERTIFIED OBSTETRICIANS AVAILABLE 24 HOURS A DAY AND THE REGION'S ONLY BOARD-CERTIFIED PERINATOLOGIST CARING FOR PATIENTS WITH HIGH-RISK PREGNANCIES FREEMAN OFFERS PRENATAL EDUCATION INCLUDING PREPARED CHILDBIRTH CLASSES, SIBLING CLASSES, AND LACTATION CONSULTANTS FREE TO PATIENTS SEE SCHEDULE O FOR ADDITIONAL INFORMATION
<b>4d</b>	Other program services (Describe in Schedule O )
	(Expenses \$ 988,435 including grants of \$ 988,435 ) (Revenue \$ )
<b>4e</b>	<b>Total program service expenses</b> \$ 391,048,694

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	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes				
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5					
6	Did the organization maintain any donor advised funds or any similar funds or 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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No				
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes				
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.						
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.						
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.						
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.						
	◆ Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.						
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.						
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	No				
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <table><tr><td>Yes</td><td>No</td></tr><tr><td>12A</td><td>Yes</td></tr></table>	Yes	No	12A	Yes		
Yes	No						
12A	Yes						
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 						
13	Is the organization a school 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 United States?	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 United States? 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 U S ? 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 U S ? If "Yes," complete Schedule F, Part III	16	No				
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I 	17	No				
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18	Yes				
19	Did the organization report more than \$15,000 of gross income from gaming activities 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				

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
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> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		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> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
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> . . . . .	34	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> . . . . .	35	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

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 . . . . .	1a	180	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
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 . . . . .	2a	4,206	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	3a	Yes	
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .			3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .	4a		No
	b If "Yes," enter the name of the foreign country: <input type="text"/> 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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .			5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and 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 receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? . . . . .	7a	Yes	
b If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .			7b	Yes
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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .			8	
9 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

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	14	
b	Enter the number of voting members that are independent . . .	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .	5		No
6	Does the organization have members or stockholders? . . . . .	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body? . . . . .	8a	Yes	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes	
9	Is there any officer, director, 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 . . . . .	9		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates? . . . . .	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	12c	Yes	
13	Does the organization have a written whistleblower policy? . . . . .	13	Yes	
14	Does the organization have a written document retention and destruction policy? . . . . .	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes	
b	Other officers or key employees of the organization . . . . .	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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 ▶ STEVE GRADDY 1102 WEST 32ND STREET JOPLIN, MO 64804 (417) 347-6678

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

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

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

[illegible]

<b>1b Total</b> . . . . .	12,743,597	76,088	659,633
---------------------------	------------	--------	---------

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **237**

		<b>Yes</b>	<b>No</b>
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b>	No
<b>4</b>	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>4</b>	Yes
<b>5</b>	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> . . . . .	<b>5</b>	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
CROTHAL SERVICES GROUP	CLEANING	4,663,026
JOPLIN WORKSHOPS INC	LINEN CLEANING	872,111
TRUE MEDIA	ADVERTISING	812,979
HUSCH BLACKWELL SANDERS LLP	LEGAL	809,227
SOUTHWEST RADIOLOGY LTD	RADIOLOGY	706,680

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **40**

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
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	7,113				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	868,088				
	g	Noncash contributions included in lines 1a-1f \$ 8,250						
	h	Total. Add lines 1a-1f . . . . .		875,201				
Program Service Revenue			Business Code					
	2a	PATIENT SERVICES	900,099	411,902,167	411,902,167			
	b	CAFETERIA & VENDING	722,210	1,336,471	1,336,471			
	c	UNRELATED HEALTH ESSENTIALS	900,099	3,741,076		3,741,076		
	d	UNRELATED RETAIL PHARMACY	446,110	3,325,083		3,325,083		
	e	UNRELATED LAB SERVICES	621,500	473,227		473,227		
	f	All other program service revenue		1,365,447	1,157,183	208,264		
	g	Total. Add lines 2a-2f . . . . .		422,143,471				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .			1,993,522		1,993,522	
	4	Income from investment of tax-exempt bond proceeds . . .			265,272		265,272	
	5	Royalties . . . . .			0			
	6a	(i) Real		(ii) Personal				
		Gross Rents	2,131,352	164,162				
		b Less rental expenses	365,337					
		c Rental income or (loss)	1,766,015	164,162				
	d	Net rental income or (loss) . . . . .			1,930,177		1,930,177	
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory	113,930,408	141,044				
		b Less cost or other basis and sales expenses	107,150,036	51,738				
		c Gain or (loss)	6,780,372	89,306				
	d	Net gain or (loss) . . . . .			6,869,678		6,869,678	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .						
		a	256,118					
		b Less direct expenses . . . . .	b	174,197				
	c	Net income or (loss) from fundraising events . . .			81,921		81,921	
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .						
		a						
		b Less direct expenses . . . . .	b					
c	Net income or (loss) from gaming activities . . .			0				
10a	Gross sales of inventory, less returns and allowances . . . . .							
	a	640,595						
	b Less cost of goods sold . . . . .	b	378,163					
c	Net income or (loss) from sales of inventory . . .			262,432		262,432		
Miscellaneous Revenue		Business Code						
11a	INVESTMENT IN SUBSIDIARY		900,099	160,332			160,332	
b								
c								
d	All other revenue . . . . .							
e	Total. Add lines 11a-11d . . . . .			160,332				
12	Total revenue. See Instructions . . . . .			434,582,006	414,395,821	7,747,650	11,563,334	

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	629,412	629,412		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	359,023	359,023		
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 . . . . .	5,128,145	2,705,644	2,422,501	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	1,370,175	1,370,175		
7	Other salaries and wages	180,179,555	173,869,894	5,992,938	316,723
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	4,394,114	4,215,810	168,304	10,000
9	Other employee benefits . . . . .	13,380,865	11,944,609	1,406,988	29,268
10	Payroll taxes . . . . .	10,222,920	9,069,269	1,130,421	23,230
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	444,577		444,577	
c	Accounting . . . . .	257,144		257,144	
d	Lobbying . . . . .	18,000		18,000	
e	Professional fundraising See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	491,457		491,457	
g	Other . . . . .	23,587,520	21,427,266	2,116,324	43,930
12	Advertising and promotion . . . . .	1,303,157	1,102,152	165,056	35,949
13	Office expenses . . . . .	19,502,790	17,906,834	1,555,504	40,452
14	Information technology . . . . .	3,033,985	2,673,391	360,594	
15	Royalties . . . . .	0			
16	Occupancy . . . . .	7,980,479	6,378,253	1,602,226	
17	Travel . . . . .	732,199	675,114	51,706	5,379
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	578,879	432,828	136,948	9,103
20	Interest . . . . .	6,844,628	6,079,482	765,146	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	15,069,305	13,384,739	1,684,566	
23	Insurance . . . . .	13,851,840	5,095,562	8,756,278	
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 DEBT	29,819,253	29,819,253		
b	TAXES, LICENSES & DUES	687,780	476,035	211,285	460
c	RECRUITING & RETENTION	461,540	359,098	102,442	
d	MEDICAL SUPPLIES & DRUGS	63,021,158	63,021,158		
e	PROVIDER TAXES & FEES	18,050,253	18,050,253		
f	All other expenses	1,819,511	3,440	1,757,979	58,092
25	Total functional expenses. Add lines 1 through 24f	423,219,664	391,048,694	31,598,384	572,586
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			18,306,999	1	16,417,282
	2	Savings and temporary cash investments . . . . .			23,104,255	2	15,069,856
	3	Pledges and grants receivable, net . . . . .			29,103	3	4,207,532
	4	Accounts receivable, net . . . . .			51,446,445	4	50,072,172
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .			284,661	7	272,772
	8	Inventories for sale or use . . . . .			8,691,332	8	7,416,825
	9	Prepaid expenses and deferred charges . . . . .			2,061,776	9	2,047,438
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D . . . . .	10a	322,572,067	152,177,999	10c	142,419,171
	b	Less accumulated depreciation . . . . .	10b	180,152,896			
	11	Investments—publicly traded securities . . . . .			17,672,414	11	96,175,099
	12	Investments—other securities. See Part IV, line 11 . . . . .			38,960,633	12	1,436,087
	13	Investments—program-related. See Part IV, line 11 . . . . .			988,042	13	1,097,826
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			13,178,311	15	4,811,350
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			326,901,970	16	341,443,410
Liabilities	17	Accounts payable and accrued expenses . . . . .			38,308,576	17	38,302,180
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .			2,731,730	19	8,641,105
	20	Tax-exempt bond liabilities . . . . .			126,294,999	20	127,599,284
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			8,383,489	23	5,008,791
	24	Unsecured notes and loans payable to unrelated third parties . . . . .			12,820,821	24	4,792,214
	25	Other liabilities. Complete Part X of Schedule D . . . . .			19,614,775	25	15,334,672
	26	Total liabilities. Add lines 17 through 25 . . . . .			208,154,390	26	199,678,246
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			113,871,326	27	134,703,614
	28	Temporarily restricted net assets . . . . .			4,876,254	28	7,061,550
	29	Permanently restricted net assets . . . . .				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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 . . . . .			118,747,580	33	141,765,164
	34	Total liabilities and net assets/fund balances . . . . .			326,901,970	34	341,443,410

**Part XI**    **Financial Statements and Reporting**

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant?    .    .		No
<b>b</b> Were the organization's financial statements audited by an independent accountant?    .    .    .    .    .    .    .	Yes	
<b>c</b> If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O    .    .    .	Yes	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b> 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?    .    .    .    .    .    .    .    .    .    .    .    .    .    .    .    .		No
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits    .    .		

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization FREEMAN HEALTH SYSTEM	Employer identification number 43-1704371
---	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

- 1

☐

A church, convention of churches, or association of churches **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).**
- 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).**
- 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 supported organization(s)

(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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
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						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. 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% support test—2008. 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—2009. 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—2008. 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 a 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 through 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 \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6 )						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 June 30, 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						

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. 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% support tests—2008. 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.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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

▶ **Complete if the organization is described below.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2009

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

- 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), then

- 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) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization FREEMAN HEALTH SYSTEM	Employer identification number 43-1704371
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 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 Complete if the organization is exempt under section 501(c)(3).

- 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 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 Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 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 funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 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 For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were 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 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

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
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?		<input type="checkbox"/> Yes	<input type="checkbox"/> 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 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(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 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
<b>1</b> 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	<b>a</b> Volunteers?		No	
	<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	<b>c</b> Media advertisements?		No	
	<b>d</b> Mailings to members, legislators, or the public?		No	
	<b>e</b> Publications, or published or broadcast statements?		No	
	<b>f</b> Grants to other organizations for lobbying purposes?		No	
	<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		
	<b>j</b> Total lines 1c through 1i			39,670
	<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912				
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		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

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	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
OTHER LOBBYING ACTIVITIES	SCHEDULE C, PART II-B, LINE 1(I)	THE ORGANIZATION PAYS DUES TO THE MISSOURI HOSPITAL ASSOCIATION (MHA), THE AMERICAN HOSPITAL ASSOCIATION (AHA), AND THE SAFETY NET HOSPITALS FOR PHARMACEUTICAL ACCESS (SNHPA). A PORTION OF THESE DUES, TOTALING \$21,670, ARE ATTRIBUTABLE TO LOBBYING PURPOSES. FREEMAN HEALTH SYSTEM ALSO PAYS \$18,000 ANNUALLY TO JOHN HANCOCK & ASSOCIATES, INC. FOR LOBBYING ACTIVITIES.

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FREEMAN HEALTH SYSTEM

Employer identification number  
43-1704371

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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 for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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 a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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

▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2009

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

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 the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if 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 . . . . .

3a(i)

☐

☐

(ii)

related organizations . . . . .

3a(ii)

☐

☐

b

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

3b

☐

☐

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .	4,631,034	5,318,282		9,949,316
b Buildings . . . . .		160,311,157	78,907,732	81,403,425
c Leasehold improvements . . . . .				
d Equipment . . . . .		139,970,242	97,032,280	42,937,962
e Other . . . . .		12,341,352	4,212,884	8,128,468
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				142,419,171



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	434,582,006
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	423,219,664
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	11,362,342
4	Net unrealized gains (losses) on investments	4	9,611,413
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	2,043,829
9	Total adjustments (net) Add lines 4 - 8	9	11,655,242
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	23,017,584

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	446,904,266
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	9,611,413
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	1,793,150
e	Add lines 2a through 2d . . . . .	2e	11,404,563
3	Subtract line 2e from line 1 . . . . .	3	435,499,703
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	-917,697
c	Add lines 4a and 4b . . . . .	4c	-917,697
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	434,582,006

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	423,886,682
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	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	917,697
e	Add lines 2a through 2d . . . . .	2e	917,697
3	Subtract line 2e from line 1 . . . . .	3	422,968,985
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	250,679
c	Add lines 4a and 4b . . . . .	4c	250,679
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	423,219,664

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
FIN 48 DISCLOSURE	SCHEDULE D, PART X, LINE 2	THE ORGANIZATION ADOPTED THE PROVISIONS OF FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) INTERPRETATION NO. 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES. BECAUSE NO MATERIAL UNCERTAIN TAX POSITIONS WERE IDENTIFIED, A DISCLOSURE WAS NOT INCLUDED IN THE FOOTNOTES TO THE FINANCIAL STATEMENTS.
OTHER CHANGES IN NET ASSETS	SCHEDULE D, PART XI, LINE 8	\$ 5,567,729 TRANSFER OF NET ASSETS FROM FOUNDATION 64,701 TRANSFER FROM AFFILIATES (3,588,601) CHANGE IN INTEREST OF NET ASSETS OF AFFILIATES ----- \$ 2,043,829
OTHER RECONCILING ITEMS	SCHEDULE D, PART XII, LINE 2D	\$ 5,567,729 TRANSFER OF NET ASSETS FROM FOUNDATION 64,701 TRANSFER FROM AFFILIATES (3,588,601) CHANGE IN INTEREST OF NET ASSETS OF AFFILIATES ( 250,679) INVESTMENT FEES INCLUDED WITH REVENUE ON THE AUDIT REPORT THAT HAVE BEEN MOVED TO BE PROPERLY INCLUDED WITH EXPENSES ON THE TAX RETURN ----- \$ 1,793,150 OTHER RECONCILING ITEMS CONTINUED SCHEDULE D, PART XII, LINE 4B AND PART XIII, LINE 2D THE FOLLOWING WERE INCLUDED WITH EXPENSES ON THE AUDIT REPORT, HOWEVER, HAVE BEEN MOVED TO BE PROPERLY INCLUDED ON THE STATEMENT OF REVENUE ON THE TAX RETURN \$ 378,163 COST OF GOODS SOLD 365,337 RENTAL EXPENSES RELATED TO RENTAL INCOME 174,197 SPECIAL EVENTS EXPENSE ----- \$ 917,697 SCHEDULE D, PART XIII, LINE 2D \$ 250,679 INVESTMENT FEES WERE INCLUDED WITH REVENUE ON THE AUDIT REPORT, HOWEVER, HAVE BEEN MOVED TO BE PROPERLY INCLUDED WITH EXPENSES ON THE TAX RETURN

SCHEDULE G  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information Regarding  
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,  
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization  
FREEMAN HEALTH SYSTEM

Employer identification number  
43-1704371

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☐ Mail solicitations

e ☐ Solicitation of non-government grants

b ☐ Internet and e-mail solicitations

f ☐ Solicitation of government grants

c ☐ Phone solicitations

g ☐ Special fundraising events

d ☐ In-person solicitations
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☐ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total . . . . . ▶						

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

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>JEWELRY SALE</u> (event type)	<u>SHOE SALE</u> (event type)	<u>6</u> (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts . . . .	105,700	43,939	106,479
	2	Less Charitable contributions . . . .			
	3	Gross income (line 1 minus line 2) . . . .	105,700	43,939	106,479
Direct Expenses	4	Cash prizes . . . .			
	5	Non-cash prizes . . . .			
	6	Rent/facility costs . . . .			
	7	Food and beverages . . . .			
	8	Entertainment . . . .			
	9	Other direct expenses . . . .	75,080	34,766	64,351
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			
	11	Net income summary Combine lines 3, column d, and line 10. . . . . ▶			

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

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

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

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

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**  
▶ **Attach to Form 990.**  
▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
FREEMAN HEALTH SYSTEM

Employer identification number  
43-1704371

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," is it a written policy? . . . . .	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
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 <div><input type="checkbox"/> 100%<input checked="" type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____</div>	3a	Yes	
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 . . . . . <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input checked="" type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____</div>	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . .	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5b		No
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	Yes	
6b	If "Yes," does the organization make it available to the public? . . . . .	6b	Yes	
	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 Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2) . . . .			5,196,607		5,196,607	1 230 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . .			72,252,184	56,095,845	16,156,339	3 820 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .						
d Total Charity Care and Means-Tested Government Programs . . . . .			77,448,791	56,095,845	21,352,946	5 050 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			555,324	11,240	544,084	0 100 %
f Health professions education (from Worksheet 5) . . . .			1,062,902	154,219	908,683	0 210 %
g Subsidized health services (from Worksheet 6) . . . .			1,645,155		1,645,155	0 390 %
h Research (from Worksheet 7)			405,047		405,047	0 100 %
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . .			475,850		475,850	0 110 %
j Total Other Benefits . . . .			4,144,278	165,459	3,978,819	0 910 %
k Total. Add lines 7d and 7j . . . .			81,593,069	56,261,304	25,331,765	0

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing						
2Economic development	2		34,383		34,383	
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other	35		44,300		44,300	
10Total	37		78,683		78,683	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense (at cost)	2	10,552,357	
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	2,110,472	
4Provide 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, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	125,361,807	
6Enter Medicare allowable costs of care relating to payments on line 5	6	156,495,642	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-31,133,835	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9aDoes the organization have a written debt collection policy?	9a	Yes	
9bIf "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

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

**Part V   Facility Information**

Name and address	Other (Describe)
	ER-other
	ER-24 hours
	Research facility
	Critical access hospital
	Teaching hospital
	Children's hospital
	General medical & surgical
	Licensed hospital

See Additional Data Table



### Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 43-1704371  
**Name:** FREEMAN HEALTH SYSTEM

**Form 990 Schedule H, Part V - Facility Information**[illegible]

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization  
FREEMAN HEALTH SYSTEM

Employer identification number  
43-1704371

Part I General Information on Grants and Assistance

1

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

☒ Yes ☐ No

2

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
OZARK CENTER3006 MCCLELLAND JOPLIN,MO 64804	430821959	501(C)(3)	216,000				SUPPORT
ST LOUIS REGIONAL DSH FUNDING AUTHORITYPO BOX 6766 JEFFERSON CITY,MO 651026766	061642698	501(C)(3)	413,412				SUPPORT

2

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

2

3

Enter total number of other organizations . . . . .



Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
FREEMAN HEALTH SYSTEM

Employer identification number  
43-1704371

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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
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?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	Yes	
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

**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) Retirement and other 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 reportable compensation				
LARRY MCINTIRE DO	(i) (ii)	620,400 0	20,389	16,500	0	28	657,317 0	
JOHN M COX DO	(i) (ii)	886,372 0	254,980	15,474	6,900	12,090	1,175,816 0	
RODNEY MCFARLAND MD	(i) (ii)	172,384 0	85,367	180,210	6,628	9,090	453,679 0	163,710
GARY D DUNCAN	(i) (ii)	557,482 0	1,902	32,806	118,906	16,660	727,756 0	
WILLIAM J NICHOLAS	(i) (ii)	1,525,915 0	899,650	0	6,900	6,717	2,439,182 0	
THOMAS B COY	(i) (ii)	863,805 0	904,570	6,500	6,900	9,090	1,790,865 0	
DAVID L BLACK	(i) (ii)	897,225 0	543,519	0	6,900	12,990	1,460,634 0	
ROBERT C STAUFFER	(i) (ii)	1,083,476 0	356,030	16,500	6,900	8,534	1,471,440 0	
DAVID A BALL	(i) (ii)	876,646 0	220,043	0	0	38	1,096,727 0	
JOE L KIRK	(i) (ii)	312,297 0	1,801	29,691	70,916	15,821	430,526 0	
STEVE W GRADDY	(i) (ii)	292,640 0	1,151	14,019	71,656	17,277	396,743 0	
PAULA F BAKER	(i) (ii)	133,229 70,431	250 0	12,342 5,657	26,338 13,743	4,775 2,492	176,934 92,323	
PHILIP WILLCOXON	(i) (ii)	174,660 0	5,951	685	30,927	9,090	221,313 0	
RICHARD D SCHOOLER	(i) (ii)	335,353 0	750	0	66,807	15,922	418,832 0	
DEBRA M KOELKEBECK	(i) (ii)	161,666 0	550	16,500	21,614	12,475	212,805 0	
MICHAEL J LEONE	(i) (ii)	200,615 0	802	10,500	26,823	17,686	256,426 0	

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN: \$ 112,006 GARY DUNCAN 64,016 JOE KIRK 64,756 STEVE GRADY 33,181 PAULA BAKER 24,027 PHILIP WILLCOXON 59,907 RICHARD D SCHOOLER 15,033 DEBRA M KOELKEBECK 19,923 MICHAEL J LEONE. THE FOLLOWING INDIVIDUALS RECEIVED PAYMENTS FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN: \$ 163,710 RODNEY MCFARLAND.
COMPENSATION CONTINGENT ON THE NET EARNINGS OF THE ORGANIZATION	SCHEDULE J, PART I, LINE 6A	FREEMAN HEALTH SYSTEM PROVIDES MANAGEMENT THE POTENTIAL TO RECEIVE AN AT-RISK PAYMENT BASED ON THE PROFITABILITY OF THE ORGANIZATION. IN FISCAL YEAR 2010 SUCH ACCRUALS WERE MADE. THE AMOUNT OF COMPENSATION IS BASED UPON A PERCENTAGE OF THE EMPLOYEE'S ANNUAL COMPENSATION AND IS SUBJECT TO BOARD APPROVAL.
BONUS & INCENTIVE COMPENSATION	SCHEDULE J, PART II, COLUMN (B) (2)	THE ORGANIZATION PROVIDES PHYSICIANS THE POTENTIAL TO RECEIVE ANNUAL BONUS COMPENSATION THROUGH OCTOBER 2009. PHYSICIAN BONUSES WERE BASED ON PRODUCTION. EFFECTIVE NOVEMBER 1, 2009, FREEMAN ENTERED INTO NEW EMPLOYMENT CONTRACTS WITH MEMBERS OF THE FREEMAN PHYSICIAN GROUP. PHYSICIAN BONUSES ARE CALCULATED BASED ON GENERATING WORKED RELATIVE VALUE UNITS (WRVU). EMPLOYMENT CONTRACTS SPECIFY THE NUMBER OF REQUIRED WRVUS (TO OBTAIN AN ANNUAL SALARY) AND THE ADDITIONAL BONUS COMPENSATION PHYSICIANS WILL RECEIVE ONCE THE REQUIRED WRVUS HAVE BEEN MET. ADDITIONAL BONUS COMPENSATION IS CALCULATED BY MULTIPLYING THE WRVUS IN EXCESS OF REQUIRED WRVUS TIMES A PREDETERMINED COMPENSATION FACTOR. RVUS SHALL BE COMPUTED BY USE OF THE APPROVED MEDICARE METHODS OF COMPUTATION FOR PHYSICIAN PRACTICES. IN ADDITION, TO CLOSE OUT THE OLD CONTRACT, MOST PHYSICIANS RECEIVED A DISTRIBUTION OF THEIR OUTSTANDING ACCOUNTS RECEIVABLE AS OF OCTOBER 31, 2009. THIS SIGNIFICANT ONE-TIME PAYOUT IS INCLUDED IN PHYSICIAN SALARIES REPORTED IN THE 990.

**Software ID:**  
**Software Version:**  
**EIN:** 43-1704371  
**Name:** FREEMAN HEALTH SYSTEM

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
LARRY MCINTIRE DO	(i) (ii)620,400 0	20,389	16,500	0	28	657,317 0	
JOHN M COX DO	(i) (ii)886,372 0	254,980	15,474	6,900	12,090	1,175,816 0	
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GARY D DUNCAN	(i) (ii)557,482 0	1,902	32,806	118,906	16,660	727,756 0	
WILLIAM J NICHOLAS	(i) (ii)1,525,915 0	899,650	0	6,900	6,717	2,439,182 0	
THOMAS B COY	(i) (ii)863,805 0	904,570	6,500	6,900	9,090	1,790,865 0	
DAVID L BLACK	(i) (ii)897,225 0	543,519	0	6,900	12,990	1,460,634 0	
ROBERT C STAUFFER	(i) (ii)1,083,476 0	356,030	16,500	6,900	8,534	1,471,440 0	
DAVID A BALL	(i) (ii)876,646 0	220,043	0	0	38	1,096,727 0	
JOE L KIRK	(i) (ii)312,297 0	1,801	29,691	70,916	15,821	430,526 0	
STEVE W GRADDY	(i) (ii)292,640 0	1,151	14,019	71,656	17,277	396,743 0	
PAULA F BAKER	(i) (ii)133,229 70,431	250 0	12,342 5,657	26,338 13,743	4,775 2,492	176,934 92,323	
PHILIP WILLCOXON	(i) (ii)174,660 0	5,951	685	30,927	9,090	221,313 0	
RICHARD D SCHOOLER	(i) (ii)335,353 0	750	0	66,807	15,922	418,832 0	
DEBRA M KOELKEBECK	(i) (ii)161,666 0	550	16,500	21,614	12,475	212,805 0	
MICHAEL J LEONE	(i) (ii)200,615 0	802	10,500	26,823	17,686	256,426 0	

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Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
FREEMAN HEALTH SYSTEM

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
▶ Attach to Form 990. ▶ See separate instructions.

DLN: 93493045007841

OMB No 1545-0047

2009

Open to Public  
Inspection

Employer identification number  
43-1704371

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF JOPLIN MO	52-1299414	480639AN3	11-30-2004	49,064,229	CONSTRUCT & EQUIP HOSPITAL FACILIT		X		X
B	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF JOPLIN MO	52-1299414		02-23-2006	6,400,000	MEDICAL EQUIPMENT		X		X
C	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF JOPLIN MO	52-1299414		11-28-2007	6,000,000	MEDICAL EQUIPMENT		X		X
D	THE INDUSTRIAL DEVELOPMENT AUTHORITY OF JOPLIN MO	52-1299414		07-23-2009	18,950,000	REFUND 08 BOND & TAXABLE LOAN		X		X

Part II

Proceeds

		A		B		C		D		E	
1	Total proceeds of issue	52,108,917		6,402,605		6,075,785		18,950,000			
2	Gross proceeds in reserve funds	3,411,008		0		0		0			
3	Proceeds in refunding or defeasance escrows	0		0		0		0			
4	Other unspent proceeds	0		0		0		0			
5	Issuance costs from proceeds	733,012		0		0		0			
6	Working capital expenditures from proceeds	0		0		0		0			
7	Capital expenditures from proceeds	48,034,567		6,310,865		5,271,434		0			
8	Year of substantial completion	2008		2006		2008		2008			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?		X		X		X	X			
10	Were the bonds issued as part of an advance refunding issue?		X		X		X		X		
11	Has the final allocation of proceeds been made?	X		X		X		X			
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X			

Part III

Private Business Use

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X		
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X		X	X			

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X		X		X		
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		0 %		0 %		0 %		2 100 %		
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		0 700 %		0 %		0 %		0 %		
6	Total of lines 4 and 5		0 700 %		0 %		0 %		2 100 %		
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X			

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X		
2	Is the bond issue a variable rate issue?		X		X		X		X		
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X		X		X		
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X		X		X		X		
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?	X			X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X	X			



SCHEDULE O

(Form 990)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990

OMB No 1545-0047

2009

Open to Public Inspection

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

► Attach to Form 990.

Name of the organization FREEMAN HEALTH SYSTEM	Employer identification number 43-1704371
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Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	MISSION - TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE THROUGH CONTEMPORARY, INNOVATIVE, QUALITY HEALTHCARE SOLUTIONS FREEMAN HEALTH SYSTEM IN JOPLIN, MISSOURI IS A 404 BED, THREE HOSPITAL SYSTEM PROVIDING COMPREHENSIVE HEALTHCARE AND BEHAVIORAL HEALTH SERVICES TO AN AREA THAT INCLUDES MORE THAN 450,000 FROM MISSOURI, ARKANSAS, OKLAHOMA, AND KANSAS VISION - TO BE THE LEADING PROVIDER OF PATIENT CENTERED, PHYSICIAN DIRECTED HEALTHCARE IN AN ENVIRONMENT OF COMPASSION AND TRUST, SUPPORTED BY DEDICATED EMPLOYEES WITH A DESIRE TO PROVIDE EXCELLENCE IN CARE AND SERVICE
PROGRAM SERVICE ACTIVITY #1	FORM 990, PART III, LINE 4A	FREEMAN OFFERS OUTPATIENT SERVICES INCLUDING CANCER CARE, EMERGENCY MEDICINE, WOMEN'S SERVICES, DIALYSIS, HYPERBARIC OXYGEN THERAPY AND WOUND CARE, NEUROLOGY, ORTHOPAEDICS, OTOLARYNGOLOGY, GERIATRIC CARE, PHARMACIES, WALK-IN CLINICS, HOME CARE, OCCUPATIONAL MEDICINE, OUTPATIENT SURGERY, REHABILITATION THERAPIES, HEART AND VASCULAR SERVICES, RADIOLOGY, LABORATORY SERVICES, AND MORE THE FREEMAN CANCER INSTITUTE PROVIDES PHYSICAL AND EMOTIONAL CARE FOR PATIENTS AND FAMILIES THROUGH COMPREHENSIVE SERVICES AND THE MOST UP-TO-DATE TECHNOLOGICAL ADVANCES IN ONE CONVENIENT AND COMFORTABLE SETTING FREEMAN CANCER INSTITUTE ACCEPTS MEDICAID AND MEDICARE PATIENTS, UNLIKE SOME OTHER CANCER PROGRAMS IN THE AREA FREEMAN CANCER INSTITUTE EMPLOYS A SOCIAL WORKER TO HELP PATIENTS DEAL WITH THE ISSUES SURROUNDING TREATMENT AND RECOVERY FREEMAN STAFF WORK WITH DRUG COMPANIES AND OTHER ORGANIZATIONS TO PROCURE FREE CANCER MEDICATIONS FOR PATIENTS WHO CANNOT AFFORD THEM FREEMAN HELPS WOMEN WHO CAN'T AFFORD MAMMOGRAMS THROUGH THE HELPING FRIENDS MAMMOGRAM FUND, ADMINISTERED BY FREEMAN FOUNDATION IN FY 2010, HELPING FRIENDS MAMMOGRAM FUND HELPED 120 WOMEN BY PROVIDING \$31,519 IN MAMMOGRAMS CERTIFIED AS A LEVEL II TRAUMA CENTER, THE EMERGENCY/TRAUMA CENTER AT FREEMAN WEST TREATS APPROXIMATELY 50,000 PATIENTS EACH YEAR EMERGENCY ROOMS ROUTINELY DEAL WITH HOMELESS, MENTALLY ILL, AND SUBSTANCE-ADDICTED PATIENTS FREEMAN PLACES MASTER'S-LEVEL MENTAL HEALTH COUNSELORS IN THE EMERGENCY ROOM ON A ROUND-THE-CLOCK BASIS THESE COUNSELORS ARE AVAILABLE TO TALK WITH PATIENTS WHO SHOW SIGNS OF MENTAL HEALTH OR SUBSTANCE ABUSE CONDITIONS AFTER THOROUGH EVALUATION, THE COUNSELORS OFFER RECOMMENDATIONS REGARDING FOLLOW-UP CARE RANGING FROM ASSESSMENT OF SUICIDALITY AND NEED FOR INPATIENT PSYCHIATRIC HOSPITALIZATION TO MAKING OUTPATIENT THERAPY APPOINTMENTS FOR PATIENTS BEFORE THEY LEAVE THE EMERGENCY ROOM IF EVALUATION MANDATES HOSPITALIZATION, COUNSELORS ASSIST IN FINDING AN APPROPRIATE BED AND TRANSPORTATION ON AVERAGE, COUNSELORS EVALUATE AND RECOMMEND TREATMENT FOR 54 PSYCHIATRIC PATIENTS EACH WEEK AS A RESULT OF THIS INTERVENTION, MANY PREVIOUS FREQUENT VISITORS TO THE EMERGENCY ROOM HAVE BEEN REDIRECTED TO APPROPRIATE PSYCHIATRIC OR SUBSTANCE ABUSE PROGRAMS EVERY TWO MINUTES, SOMEWHERE IN AMERICA, SOMEONE IS SEXUALLY ASSAULTED FREEMAN DOCTORS AND NURSES OFFER COMPASSIONATE AND COMPREHENSIVE CARE TO VICTIMS OF SEXUAL ASSAULT IN THE EMERGENCY ROOM THROUGH THE SEXUAL ASSAULT NURSE EXAMINER (SANE) PROGRAM THE PROGRAM PROVIDES A COORDINATED HOSPITAL RESPONSE AND CONTINUUM OF CARE FOR VICTIMS OF SEXUAL VIOLENCE AND ENSURES A MEDICAL EVALUATION, STANDARDIZED FORENSIC EXAMINATION WITH EVIDENCE COLLECTION, AND EFFECTIVE INTERFACE WITH LAW ENFORCEMENT AND ADVOCACY SERVICES IT ALSO PROVIDES EDUCATION TO LOCAL COMMUNITIES ON SEXUAL VIOLENCE AWARENESS, PREVENTION, AND AVAILABLE SERVICES THE NURSE EXAMINER REPORTS THE CRIME AND/OR COLLECTS EVIDENCE OF THE SEXUAL ASSAULT ONLY AT THE VICTIM'S REQUEST THE SANE PROGRAM AT FREEMAN IS THE ONLY ONE OF ITS KIND IN THE AREA IN PARTNERSHIP WITH LAFAYETTE HOUSE, THE PROGRAM ALSO OFFERS EMERGENCY SHELTER AND SERVICES CHILDREN AND TEENS YOUNGER THAN AGE 18 THAT ARE SEXUALLY ABUSED OR ASSAULTED ARE REFERRED TO CHILDREN'S CENTER FOR EXAMS CHILDREN'S CENTER, ESPECIALLY EQUIPPED TO SERVE THE NEEDS OF YOUNG AND ADOLESCENT VICTIMS, OFFERS A SAFE HAVEN FOR ABUSED CHILDREN
PROGRAM SERVICE ACTIVITY #2	FORM 990, PART III, LINE 4B	FREEMAN HOSPITALS IN JOPLIN PROVIDES A WIDE ARRAY OF INPATIENT SERVICES INCLUDING GENERAL, NEUROLOGICAL, ORTHOPAEDIC, AND HEART SURGERIES FREEMAN PROVIDES SERVICE TO PATIENTS THROUGH GENERAL MEDICAL, ONCOLOGY, INTENSIVE CARE, MATERNAL, PEDIATRIC, CANCER, PSYCHIATRIC, GERIATRIC PSYCHIATRIC, SKILLED NURSING, AND REHABILITATION UNITS MATERNAL SERVICES IS EXPLORED IN DEPTH IN A SEPARATE SECTION OF THIS NARRATIVE EXCLUDING MATERNAL SERVICES, FREEMAN JOPLIN INPATIENT SERVICES TOTALED 14,793 CASES, OF WHICH, 1,881, OR 13%, WERE MEDICAID CASES ADDITIONALLY, 941 INPATIENT CASES, OR 6 4% OF THE TOTAL, FELL INTO THE SELF-PAY (NO INSURANCE) CATEGORY THE FREEMAN PEDIATRIC UNIT PROVIDES CARE TO CHILDREN FROM BIRTH TO AGE 18 AND WORKS WITH FAMILIES TO MAKE THEIR CHILDREN'S HOSPITALIZATION LESS TRAUMATIC BY ENCOURAGING PARENTAL INVOLVEMENT CHAIR BEDS IN EACH ROOM, AS WELL AS MEAL TRAYS FOR PARENTS, ENABLE FAMILIES TO REMAIN TOGETHER DURING DIFFICULT TIMES EACH ROOM HAS A TV/VCR, VIDEOS AND VIDEO GAMES ARE AVAILABLE UPON REQUEST THE UNIT INCLUDES A BRIGHTLY DECORATED EXAMINATION ROOM AND A PLAYROOM FILLED WITH BOOKS AND TOYS EXCLUDING MATERNAL SERVICES, FREEMAN JOPLIN INPATIENT PEDIATRIC SERVICES TOTALED 778 CASES, OF WHICH, 387, OR 50%, WERE MEDICAID CASES ADDITIONALLY, 4% OF THE PEDIATRIC INPATIENT CASES FELL INTO THE SELF-PAY (NO INSURANCE) CATEGORY
PROGRAM SERVICE ACTIVITY #3	FORM 990, PART III, LINE 4C	DESIGNED TO GIVE NEW MOTHERS AND THEIR FAMILIES THE COMFORTS OF HOME WITHIN THE SECURITY OF A HOSPITAL, FREEMAN MATERNITY CENTER DELIVERED 2,522 BABIES IN FY 2010 THE UNIT INCLUDES BOARD-CERTIFIED OBSTETRICIANS AVAILABLE 24 HOURS A DAY AND THE REGION'S ONLY BOARD-CERTIFIED PERINATOLOGIST CARING FOR PATIENTS WITH HIGH-RISK PREGNANCIES FREEMAN OFFERS PRENATAL EDUCATION INCLUDING PREPARED CHILDBIRTH CLASSES, SIBLING CLASSES, AND LACTATION CONSULTANTS FREE TO PATIENTS FREEMAN MATERNAL SERVICES INCLUDES THE REGION'S ONLY NEONATAL INTENSIVE CARE UNIT (NICU) PROVIDING IMMEDIATE CRITICAL CARE FOR PREMATURE AND CRITICALLY ILL INFANTS THE UNIT INCLUDES SKILLED AND EXPERIENCED PHYSICIANS AND STAFF WHO STAND READY TO PROVIDE THE IMMEDIATE CRITICAL CARE PREMATURE BABIES NEED FREEMAN NICU PROVIDES SPECIALIZED CARE USING STATE-OF-THE-ART TECHNOLOGY AND DECADES OF EXPERIENCE SURVIVAL RATES FOR INFANTS LESS THAN THREE POUNDS HAVE INCREASED SIGNIFICANTLY AS A RESULT OF THE OUTSTANDING MEDICAL CARE PROVIDED BY THE FREEMAN NICU TEAM OF DOCTORS, NEONATAL NURSE PRACTITIONERS, SPECIALIZED DEVELOPMENTAL THERAPISTS, AND NURSES OF THE 5,148 CASES SEEN IN FY 2010, FREEMAN MATERNAL SERVICES SERVED 3,012 MEDICAID PATIENTS, OR 59% OF ITS CASELOAD SELF PAY (NO INSURANCE) PATIENTS REPRESENTED 2% OF THE DELIVERIES AS THESE STATISTICS INDICATE, FREEMAN PROVIDES A SAFETY NET FOR EXPECTANT MOTHERS WHO LIVE IN POVERTY AND RECEIVE GOVERNMENT ASSISTANCE AND THOSE WHO SCRAPE BY WITHOUT ASSISTANCE BUT HAVE NO HEALTH INSURANCE MEDICAID REIMBURSEMENT DOES NOT COVER THE COST OF PROVIDING THE LEVEL OF TREATMENT REQUIRED

Identifier	Return Reference	Explanation
PROGRAM SERVICES	FORM 990, PART III, LINE 4	FREEMAN HEALTH SYSTEM, NOT-FOR-PROFIT, COMMUNITY-OWNED, AND LOCALLY GOVERNED BY A VOLUNTEER BOARD OF DIRECTORS, PROVIDES FULL-SERVICE HEALTHCARE TO SOUTHWEST MISSOURI, SOUTHEAST KANSAS, NORTHEAST OKLAHOMA, AND NORTHWEST ARKANSAS A THREE-HOSPITAL, 404-BED HEALTH SYSTEM, FREEMAN PROVIDES COMPREHENSIVE SERVICES INCLUDING CANCER CARE, HEART CARE, ORTHOPAEDICS, NEUROSURGERY, WOMEN'S SERVICES, AND BEHAVIORAL HEALTHCARE FREEMAN ACCEPTS MEDICAID AND MEDICARE PATIENTS AND OFFERS CHARITY CARE AND PAYMENT PLANS, PROVIDING A SAFETY NET TO A THIRD OF THE LOCAL POPULATION WITH HOUSEHOLD INCOMES BELOW \$25,000 FREEMAN ASKS ALL EMPLOYEES AND VOLUNTEERS TO EMBRACE THE MISSION OF IMPROVING THE HEALTH OF THE COMMUNITIES SERVED THROUGH CONTEMPORARY, INNOVATIVE, QUALITY HEALTHCARE SOLUTIONS THE FREEMAN MEDICAL TEAM, WHICH INCLUDES 300 PHYSICIANS REPRESENTING 60 SPECIALTIES, USES THE LATEST TECHNIQUES, BEST PRACTICES, AND TECHNOLOGIES TO PROVIDE LIFE-SAVING MEDICAL CARE, PROVIDING CONSTITUENTS WITH THE HEALTHCARE THEY NEED RIGHT IN THEIR OWN BACK YARD JOPLIN-AREA PATIENTS DO NOT HAVE TO TRAVEL TO BIG CITIES TO RECEIVE HEART INTERVENTIONS, CARDIOTHORACIC SURGERIES, NEUROSURGERIES, PAIN THERAPIES, INTENSIVE CARE, TRAUMA CARE, AND ADVANCED DIAGNOSTIC SERVICES THE CLOSE-TO-HOME AVAILABILITY OF PROGRESSIVE HEALTHCARE SERVICES EASES STRESS ON PATIENTS, FOR WHOM TRAVEL CAN BE UNCOMFORTABLE, AND THEIR FAMILIES, FOR WHOM TRAVEL CAN PRESENT A GREAT FINANCIAL BURDEN ACCORDING TO THE MISSOURI HOSPITAL ASSOCIATION, FAMILY PHYSICIANS MAKE AN ECONOMIC IMPACT OF MORE THAN \$1 MILLION EACH YEAR ON THE COMMUNITIES THEY SERVE IN FY 2010, FREEMAN BROUGHT 14 NEW PHYSICIANS INTO THE COMMUNITY, PROVIDING GREAT BENEFIT, IN TERMS OF BOTH HEALTHCARE AND ECONOMICS FREEMAN NEOSHO HOSPITAL IS A 25-BED, CRITICAL-ACCESS FACILITY THAT SERVES THE NEEDS OF LARGELY RURAL NEWTON AND MCDONALD COUNTIES IN SOUTHWEST MISSOURI FREEMAN NEOSHO HOSPITAL PROVIDES THE COMMUNITY WITH A LEVEL III TRAUMA CENTER, PEDIATRIC SERVICES, COMPREHENSIVE SURGERY SERVICES, CARDIOLOGY AND ONCOLOGY/HEMATOLOGY SPECIALTY CLINICS, AND CARDIAC, PHYSICAL THERAPY, AND SPEECH THERAPY REHABILITATION SERVICES FREEMAN ALSO PROVIDES EMERGENCY TRANSPORT FOR NEWTON AND MCDONALD COUNTIES THROUGH FREEMAN AMBULANCE SERVICE FREEMAN FAST FACTS FISCAL YEAR (FY) 2010 (APRIL 1, 2009 - MARCH 31, 2010) (JOPLIN & NEOSHO COMBINED) OUTPATIENT REGISTRATIONS 414,543 EMERGENCY/TRAUMA/URGENT CARE VISITS 119,934 FREEMAN OCCURED VISITS 45,659 ADMISSIONS 21,762 SURGICAL PROCEDURES 14,582 BIRTHS 2,522 BABIES IN NEONATAL INTENSIVE CARE UNIT 292 FOR 19 YEARS, FREEMAN ORTHOPAEDICS & SPORTS MEDICINE AND FREEMAN REHABILITATION SERVICES HAVE PROVIDED FREE ANNUAL PRESEASON PHYSICAL EXAMS FOR ATHLETES ATTENDING AREA SCHOOLS AND COLLEGES MORE THAN 75 VOLUNTEERS INCLUDING DOCTORS, NURSES, THERAPISTS, AND OTHER CLINICIANS ASSIST WITH THE EXAMS, SCHEDULED AT SPECIFIC TIMES THROUGHOUT THE YEAR THESE FREE PRESEASON PHYSICALS PROVIDE COMPREHENSIVE EVALUATION AND ASSESSMENT TO ATHLETES PARTICIPATING IN A SANCTIONED SPORT IN A SCHOOL-BASED PROGRAM, THROUGH THE AREA'S PARKS AND RECREATION DEPARTMENTS, YMCA'S, OR LOCAL LEAGUES, OR IN TRAINING TO COMPETE IN A SPECIFIC EVENT, SUCH AS A MARATHON OR TRIATHLON THIS PROGRAM HELPED HUNDREDS OF ATHLETES IN FY 2010 THROUGH THE CHAPLAINS FUND, FREEMAN OFFERS HELP TO PATIENTS UPON DISMISSAL FROM THE HOSPITAL THIS FUND HELPS PATIENTS OBTAIN PRESCRIPTION MEDICATIONS BEFORE THEY GO HOME ADDITIONALLY, PATIENTS WHO DON'T HAVE A RIDE HOME FROM THE HOSPITAL AND NO MONEY FOR CAB FARE MAY RECEIVE HELP WITH TRANSPORTATION EXPENSES THROUGH THE CHAPLAINS FUND THIS PROGRAM HELPED 800 PATIENTS IN FY 2010, PROVIDING A COMMUNITY BENEFIT OF \$20,000 IN TERMS OF COMMUNITY SERVICE AS COMMUNITY BENEFIT, FREEMAN EMPLOYEES SPENT 14,000 HOURS ENGAGED IN COMMUNITY BENEFIT ACTIVITIES IN 2010 THIS ON-THE-JOB COMMUNITY BENEFIT INCLUDES TIME FREEMAN HEALTHCARE PROFESSIONALS SPENT TRAINING OR SERVING AS PRECEPTORS FOR STUDENT NURSES, MEDICAL STUDENTS, AND RESIDENT PHYSICIANS, AMONG OTHERS IN 2010 FREEMAN HAD NURSING STUDENTS ON-SITE FOR A TOTAL OF 47,008 HOURS THESE STUDENTS ARE ASSIGNED TO A FREEMAN RN TO FOLLOW STAFF MEMBERS ALSO SPENT COUNTLESS HOURS GIVING TOURS TO SCHOOL AND COMMUNITY GROUPS, WORKING WITH HIGH SCHOOL STUDENTS AND OTHER COMMUNITY MEMBERS ON JOB-SHADOWING PROJECTS, AND ENGAGING THE PUBLIC THROUGH PUBLIC PROGRAMS AND EVENTS FREEMAN PROVIDES EMERGENT CARE FOR ALL WHO ENTER ITS DOORS, REGARDLESS OF PATIENTS' ABILITY TO PAY OR INSURANCE STATUS FREEMAN ENDEAVORS TO GIVE PATIENTS MORE OPTIONS FOR PAYING THEIR BILLS, INCLUDING SETTING UP PAYMENT PLANS FOR QUALIFYING PATIENTS, A PROGRAM THAT PROVES ESPECIALLY BENEFICIAL TO PEOPLE WHO HAVE HEALTH INSURANCE, BUT LACK FUNDS TO PAY LARGE DEDUCTIBLES, CO-PAYS, OR OUT-OF-POCKET EXPENSES ON A RELATED NOTE, FREEMAN ALLOWS FREEMAN EMPLOYEES TO PAY OFF HOSPITAL HILLS, NO MATTER HOW LARGE, IN INSTALLMENTS AS LOW AS \$25 EVERY TWO WEEKS CONSIDERING THE FACT THAT FREEMAN EMPLOYS MORE THAN 3,500 PEOPLE AND MOST OF THEIR FAMILIES RECEIVE TREATMENT AT FREEMAN, THIS ACT ALONE AMOUNTS TO A SIZABLE COMMUNITY BENEFIT FREEMAN ESTABLISHED FREEMAN URGENT CARE WALK-IN CLINICS IN TWO LOCATIONS TO GIVE PATIENTS, INCLUDING THOSE WITHOUT PRIMARY CARE PROVIDERS, AN APPROPRIATE, LESS EXPENSIVE TREATMENT VENUE, BUT MANY PATIENTS STILL CHOOSE TO USE THE EMERGENCY ROOM FOR PRIMARY MEDICAL CARE FREEMAN HELPS MANY ORGANIZATIONS THAT, IN TURN, HELP SOME OF THE MOST FRAGILE MEMBERS OF OUR COMMUNITY FOR INSTANCE, FOR ONE DOLLAR PER YEAR, FREEMAN LEASES THE LAND AND BUILDING AT 34TH STREET AND INDIANA AVENUE TO CHILDREN'S CENTER OF SOUTHWEST MISSOURI, A NOT-FOR-PROFIT AGENCY THAT PROTECTS AND ADVOCATES FOR CHILDREN WHO HAVE BEEN VICTIMS OF ABUSE SIMILARLY, FREEMAN LEASES LAND TO RONALD MCDONALD HOUSE CHARITIES OF THE FOUR STATES FOR ONE DOLLAR PER YEAR, AND FREEMAN MAINTAINS THE GROUNDS AND PROVIDES HOUSEKEEPING SERVICES, SERVICES WITH A RETAIL VALUE OF \$1,700 FREEMAN HEALTH SYSTEM CONTRIBUTES TO THE HEALTH OF THE COMMUNITY BY CREATING A WIDE RANGE OF CAREER OPPORTUNITIES PROFESSIONALS IN MANY FIELDS AT FREEMAN EARN ABOVE-AVERAGE WAGES AND SALARIES, AND THE BENEFITS FREEMAN OFFERS HELP ATTRACT AND MAINTAIN AN AFFLUENT MIDDLE CLASS, WHOSE MEMBERS BUY HOMES, SPEND MONEY, AND BOOST THE AREA ECONOMY IN 2010, FREEMAN HEALTH SYSTEM, INCLUDING THE OZARK CENTER PROVIDED PAYROLL AND BENEFITS TOTALING \$210,697,463

SIGNIFICANT CHANGES TO ORGANIZATIONAL DOCUMENTS FORM 990, PART VI, SECTION A, LINE 4 THE FOLLOWING SIGNIFICANT CHANGES WERE MADE TO THE ORGANIZATION'S BYLAWS -ARTICLE V, SECTION 7 - THE BOARD'S AUDIT AND FINANCE COMMITTEE WAS INCREASED FROM THREE TO FOUR MEMBERS, AND THE COMMITTEE IS NO LONGER REQUIRED TO REVIEW QUARTERLY CORPORATE COMPLIANCE REPORTS OR QUARTERLY PRACTICE MANAGEMENT COMPLIANCE AUDIT REPORTS -ARTICLE V, SECTION 8 - THE BOARD'S FINANCE/INVESTMENT COMMITTEE WAS DISSOLVED REVIEW OF THE FORM 990 FORM 990, PART VI, SECTION B, LINE 11A PRIOR TO FILING, A DRAFT OF THE FORM 990 IS REVIEWED BY MEMBERS OF TOP MANAGEMENT ONCE A FINAL DRAFT IS READY, A POWER POINT PRESENTATION IS MADE TO THE BOARD MEMBERS AT THE BOARD OF DIRECTORS MEETING TO EXPLAIN THE 990 AND ITS USES THE BOARD REVIEWS THE DOCUMENT FOR KEY INFORMATION INCLUDED PAPER COPIES ARE MADE AVAILABLE TO THE BOARD MEMBERS AT THEIR REQUEST CONFLICT OF INTEREST POLICY FORM 990, PART VI, SECTION B, LINE 12C THE CONFLICT OF INTEREST POLICY IS REVIEWED BY THE BOARD OF DIRECTORS EACH YEAR IN APRIL THE BOARD MEMBERS ARE ASKED TO SIGN A NEW CONFLICT OF INTEREST POLICY AND LIST ANY POSSIBLE CONFLICTS THIS INFORMATION IS REVIEWED AND MAINTAINED IN THE ADMINISTRATIVE OFFICES IF A BOARD MEMBER ENCOUNTERS A TRANSACTION THAT WOULD CAUSE A POSSIBLE CONFLICT OF INTEREST, A FORM DETAILING THE TRANSACTION IS COMPLETED AND SUBMITTED TO THE BOARD FOR REVIEW AND APPROVAL IF A CONFLICT IS FOUND, THE INTERESTED PERSON WILL NOT PARTICIPATE IN THE DISCUSSION OR VOTE ON A TRANSACTION INVOLVING HIS OR HER CONFLICT CORPORATE OFFICERS AND KEY EMPLOYEES ARE ALSO REQUIRED TO ANNUALLY DISCLOSE CONFLICTS OF INTEREST

Identifier	Return Reference	Explanation
FREEMAN HEALTH SYSTEM COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & 15B	<p>EXECUTIVE COMPENSATION PHILOSOPHY &amp; STRATEGY I KEY PRINCIPLES FREEMAN HEALTH SYSTEM ("FHS") DESIRES TO ENSURE THAT ITS EXECUTIVE COMPENSATION PROGRAM IS COMPETITIVE, FAIR, AND EQUITABLE, COMPLIANT WITH REGULATORY GUIDELINES, AND REPRESENTATIVE OF MARKET BEST PRACTICES KEY PRINCIPLES THAT GUIDE FHS'S EXECUTIVE COMPENSATION DECISION-MAKING PROCESS INCLUDE -EXECUTIVE COMPENSATION PROGRAMS WILL SUPPORT FHS'S MISSION, VALUES, STRATEGIC DIRECTION, AND TAX-EXEMPT STATUS -FHS COMPETES IN A NATIONAL MARKET FOR ITS EXECUTIVES AND THUS WILL CONSIDER PAY PRACTICES THAT ARE REPRESENTATIVE OF THE INDUSTRY -THE RELATIVE PAY LEVELS OF FHS EXECUTIVES WILL OVER TIME REFLECT BOTH INDIVIDUAL AND ORGANIZATIONAL PERFORMANCE -FHS INTENDS TO ESTABLISH THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER IRS INTERMEDIATE SANCTIONS REGULATIONS THUS, EXECUTIVE COMPENSATION PROGRAMS AND DECISIONS WILL BE APPROVED, IN ADVANCE OF THEIR IMPLEMENTATION BY THE EXECUTIVE COMPENSATION COMMITTEE (HEREAFTER THE "COMMITTEE") OF THE BOARD OF DIRECTORS *THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS, WHO ARE INDEPENDENT OF FHS'S MANAGEMENT, HAVE NO PERSONAL INTEREST IN THE COMPENSATION ARRANGEMENTS, ARE NOT RELATED TO, OR UNDER THE CONTROL OF ANY INDIVIDUAL WHOSE COMPENSATION ARRANGEMENT IS BEING REVIEWED AND HAVE NO MATERIAL BUSINESS RELATIONSHIP WITH FHS *THE COMMITTEE WILL RELY UPON APPROPRIATE, INDEPENDENT COMPARABILITY DATA TO SUPPORT ITS DECISION MAKING PROCESS *THE COMMITTEE WILL ADEQUATELY DOCUMENT ITS DELIBERATIONS, DECISIONS, AND ACTIONS ON A TIMELY BASIS II PRIMARY PROGRAM COMPONENTS FHS'S EXECUTIVE TOTAL COMPENSATION PROGRAM CONSISTS OF THE FOLLOWING COMPONENTS -BASE SALARY -ANNUAL AT RISK COMPENSATION -STANDARD ALL EMPLOYEE BENEFITS -SUPPLEMENTAL BENEFITS AND PERQUISITES -SEVERANCE ANNUALLY, THE COMMITTEE WILL DIRECT THE REVIEW OF THE COMPONENTS OF THE EXECUTIVE COMPENSATION PROGRAM AND APPROVE PROGRAM MODIFICATIONS AS APPROPRIATE THE COMMITTEE MAY ALSO AUTHORIZE UNIQUE PROGRAM COMPONENTS WHICH SUPPORT THE ACHIEVEMENTS OF FHS'S MISSION III MARKET COMPARATORS FHS WILL CONSIDER A NATIONAL PEER GROUP OF HEALTHCARE ORGANIZATIONS COMPARABLE TO FHS IN SIZE (IE, NET REVENUES) AND COMPLEXITY TO DETERMINE THE MARKET VALUES FOR EACH OF ITS EXECUTIVE POSITIONS THIS PEER GROUP WILL PRIMARILY BE COMPRISED OF NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS (BUT FOR-PROFIT ORGANIZATIONS MAY BE CONSIDERED SELECTIVELY) FOR FUNCTIONALLY COMPARABLE POSITIONS AS REPORTED IN SURVEYS CONDUCTED BY INDEPENDENT FIRMS -CASH COMPENSATION THE FOLLOWING ORGANIZATIONS/MARKETS ARE THE PRIMARY COMPARATORS FOR COMPENSATION PURPOSES *SYSTEM LEVEL EXECUTIVES HEALTH SYSTEMS OF COMPARABLE SIZE TO FHS, BASED ON NET REVENUE THESE WILL BE BASED ON NATIONAL HEALTHCARE LABOR MARKETS *HOSPITAL LEVEL EXECUTIVES HOSPITALS OF COMPARABLE SIZE TO THE FHS ENTITY, BASED ON NET REVENUE THESE WILL BE BASED ON NATIONAL HEALTHCARE LABOR MARKETS *OTHER EXECUTIVES ORGANIZATIONS OF COMPARABLE SIZE IN RELEVANT MARKET SEGMENTS SUCH AS MEDICAL GROUP PRACTICES, HOME HEALTH, AND THE LIKE THESE WILL BE BASED ON NATIONAL HEALTHCARE LABOR MARKET -EXECUTIVE BENEFITS FHS WILL DEVELOP AND ADMINISTER EXECUTIVE BENEFIT (IE, STANDARD BENEFITS, SUPPLEMENTAL EXECUTIVE BENEFITS, AND PERQUISITES) PLANS THAT ARE BASED ON NATIONAL HEALTHCARE INDUSTRY MARKET NORMS IV MARKET POSITION TARGETS FHS HAS ESTABLISHED A TARGET MARKET POSITION FOR EACH OF THE COMPONENTS OF ITS EXECUTIVE TOTAL COMPENSATION PROGRAM -BASE SALARIES FHS WILL MANAGE ITS EXECUTIVES' BASE SALARIES AROUND THE 50TH PERCENTILE OF BASE SALARIES PAID IN THE MARKET SALARIES WILL VARY FROM THE 50TH PERCENTILE BASED AN EXECUTIVE'S EXPERIENCE AND PERFORMANCE FOR EXAMPLE *EXECUTIVES WHO ARE NEW TO THE ORGANIZATION AND/OR HAVE LIMITED OR NO PRIOR EXECUTIVE-LEVEL EXPERIENCE SHOULD HAVE SALARIES THAT ARE 80 TO 90 PERCENT OF THE 50TH PERCENTILE *EXPERIENCED EXECUTIVES (WITH APPROXIMATELY 5 TO 7 YEARS OF EXECUTIVE-LEVEL EXPERIENCE) WHO CONSISTENTLY MEET FHS'S PERFORMANCE EXPECTATIONS SHOULD HAVE SALARIES THAT ARE 90 TO 110 PERCENT OF THE 50TH PERCENTILE *EXPERIENCED EXECUTIVES (WITH MORE THAN 7 YEARS OF EXECUTIVE-LEVEL EXPERIENCE) WHO CONSISTENTLY EXCEED FHS'S PERFORMANCE EXPECTATIONS SHOULD HAVE SALARIES THAT ARE 110 TO 120 PERCENT OF THE 50TH PERCENTILE - TOTAL CASH COMPENSATION THE GOAL OF THIS COMPONENT IS TO PAY UP TO THE 75TH PERCENTILE OF MARKET TOTAL CASH COMPENSATION WHEN EXCEPTIONAL PERFORMANCE IS ACHIEVED TOTAL CASH COMPENSATION INCLUDES BASE SALARIES AND LUMP-SUM AWARDS FROM FHS'S EXECUTIVE AT RISK COMPENSATION PLAN(S) ACTUAL TOTAL CASH COMPENSATION WILL REFLECT EXECUTIVES' CURRENT SALARIES, INDIVIDUAL PERFORMANCE AND CONTRIBUTIONS, AND THE ORGANIZATION'S PERFORMANCE - EXECUTIVE BENEFITS FHS TARGETS EXECUTIVE BENEFITS (STANDARD BENEFITS PLUS SUPPLEMENTAL EXECUTIVE BENEFITS AND PERQUISITES) AT THE 50TH PERCENTILE OF EXECUTIVE BENEFITS PROVIDED IN THE HEALTHCARE MARKET -SEVERANCE FHS TARGETS EXECUTIVE SEVERANCE AT THE 50TH PERCENTILE OF CURRENT HEALTHCARE MARKET PRACTICES OTHER BUSINESS JUDGMENT FACTORS SUCH AS COMPETITIVE MARKET FORCES, EACH EXECUTIVE'S JOB PERFORMANCE, EACH EXECUTIVE'S UNIQUE SKILLS, RESPONSIBILITIES AND EFFORTS, AND/OR EACH EXECUTIVE'S MARKETPLACE STANDING, ARE ALSO CONSIDERED BY THE COMMITTEE DURING ITS DECISION MAKING PROCESS</p>

Identifier	Return Reference	Explanation
FREEMAN HEALTH SYSTEM COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & 15B	<p>EXECUTIVE COMPENSATION COMMITTEE CHARTER THIS EXECUTIVE COMPENSATION COMMITTEE CHARTER WAS ADOPTED BY THE BOARD OF DIRECTORS (THE "BOARD") OF FREEMAN HEALTH SYSTEM (HEREAFTER "FHS") ON APRIL 25, 2008 THIS CHARTER APPLIES TO FHS AND ALL OF ITS BUSINESS ENTITIES, INCLUDING FREEMAN NEOSHO HOSPITAL, OZARK CENTER AND THE FREEMAN FOUNDATION (HEREAFTER THE "SYSTEM") THIS CHARTER IS A COMPONENT OF THE FLEXIBLE FRAMEWORK WITHIN WHICH THE BOARD, ASSISTED BY ITS COMMITTEES, DIRECTS THE AFFAIRS OF FHS WHILE THE CHARTER SHOULD BE INTERPRETED IN THE CONTEXT OF ALL APPLICABLE LAWS AND REGULATIONS, AS WELL AS IN THE CONTEXT OF FHS'S ARTICLES OF INCORPORATION AND BYLAWS, IT IS NOT INTENDED TO ESTABLISH BY ITS OWN FORCE ANY LEGALLY BINDING OBLIGATIONS I PURPOSE THE EXECUTIVE COMPENSATION COMMITTEE (HEREAFTER THE "COMMITTEE") IS AUTHORIZED TO ACT ON THE BOARD'S BEHALF IN (I) DETERMINING APPROPRIATE COMPENSATION FOR SYSTEM EXECUTIVES AND OTHER DISQUALIFIED PERSONS AS DEFINED IN THE IRS INTERMEDIATE SANCTIONS REGULATIONS, (II) EVALUATING SYSTEM EXECUTIVES' AND OTHER DISQUALIFIED PERSONS' CASH COMPENSATION PLANS, POLICIES, AND PROGRAMS, (III) REVIEWING BENEFIT PLANS FOR SYSTEM EXECUTIVES AND OTHER DISQUALIFIED PERSONS, AND (IV) VERIFYING THAT COMPENSATION INFORMATION IS APPROPRIATELY AND FULLY DISCLOSED -A DISQUALIFIED PERSON IS ANY PERSON WHO IS OR WAS IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER THE AFFAIRS OF THE APPLICABLE TAX-EXEMPT ORGANIZATION IT IS NOT NECESSARY THAT THE PERSON ACTUALLY EXERCISE SUBSTANTIAL INFLUENCE, ONLY THAT THE PERSON BE IN A POSITION TO DO SO -FOR PURPOSES OF THIS CHARTER, "EXECUTIVES" ARE DEFINED AS SYSTEM EXECUTIVES AND OTHER DISQUALIFIED PERSONS VALIDATED BY THE COMMITTEE IN DISCHARGING ITS ROLE, THE COMMITTEE IS EMPOWERED TO INVESTIGATE ANY MATTER BROUGHT TO ITS ATTENTION WITH ACCESS TO ALL BOOKS, RECORDS, FACILITIES, AND PERSONNEL OF THE SYSTEM IT HAS THE AUTHORITY TO RETAIN OUTSIDE ADVISORS (E G , LEGAL COUNSEL, COMPENSATION CONSULTANTS, OR OTHER EXPERTS) AND WILL RECEIVE ADEQUATE FUNDING FROM THE SYSTEM TO ENGAGE SUCH ADVISORS IT SHALL HAVE THE SOLE AUTHORITY TO RETAIN, COMPENSATE, TERMINATE, AND OVERSEE ITS ADVISORS, WHO SHALL BE ACCOUNTABLE ULTIMATELY TO THE COMMITTEE TO SUPPORT THE COMMITTEE, A TIMETABLE AND RESOURCE BOOK WILL BE DEVELOPED CONTAINING THE NECESSARY DATA, INFORMATION, AND DOCUMENTS THE COMMITTEE WILL NEED TO CARRY OUT ITS DUTIES THE RESOURCE BOOK WILL BE DISTRIBUTED TO THE COMMITTEE IN ADVANCE OF ITS MEETINGS AND FHS WILL MAINTAIN THESE BOOKS AT ITS CORPORATE OFFICE THE COMMITTEE ALSO WILL RECEIVE TRAINING IN COMPENSATION PLAN DESIGN AND ADMINISTRATION, INCLUDING LEGAL AND REGULATORY ISSUES (AS NEEDED) II COMMITTEE MEMBERSHIP THE COMMITTEE IS A STANDING COMMITTEE OF THE BOARD IN ACCORDANCE WITH THE CORPORATE BYLAWS, IT SHALL CONSIST OF AT LEAST THREE, BUT NOT MORE THAN FIVE, MEMBERS OF THE BOARD EACH COMMITTEE MEMBER HAS BEEN DETERMINED BY THE BOARD TO BE "INDEPENDENT" IN ACCORDANCE WITH IRS INTERMEDIATE SANCTIONS REGULATIONS AT THE START OF THE YEAR, EACH MEMBER WILL REVIEW THE ORGANIZATION'S CONFLICT OF INTEREST POLICY TO ENSURE HE OR SHE HAS NO CONFLICT OF INTEREST AND IS "INDEPENDENT" IF A REAL, POTENTIAL, OR PERCEIVED CONFLICT OF INTEREST IS IDENTIFIED, THE COMMITTEE MEMBER WILL REVIEW THE ISSUE WITH THE COMMITTEE CHAIR AND LEGAL COUNSEL TO DETERMINE THE APPROPRIATE ACTION IN ADDITION, NO DIRECTOR MAY SERVE ON THE COMMITTEE UNLESS HE OR SHE IS A "NON-EMPLOYEE" MEMBER OF A SYSTEM BOARD THE FHS BOARD WILL APPOINT A COMMITTEE CHAIR TO CONVENE ALL SESSIONS, SET AGENDAS FOR MEETINGS, AND DETERMINE THE INFORMATION NEEDS OF THE COMMITTEE BEFORE DEBATING AND VOTING ON ANY COMPENSATION ARRANGEMENT, EACH MEMBER SHALL DETERMINE WHETHER HE OR SHE HAS A CONFLICT OF INTEREST REGARDING THE COMPENSATION ARRANGEMENT ANY MEMBER WITH A CONFLICT OF INTEREST REGARDING A PARTICULAR COMPENSATION ARRANGEMENT OR TRANSACTION SHALL RECUSE HIMSELF OR HERSELF FROM THE DISCUSSION AND SHALL NOT VOTE ON THE PENDING COMPENSATION ARRANGEMENT OR TRANSACTION III COMMITTEE SUPPORT STAFF THE COMMITTEE SHALL BE ASSISTED IN FULFILLING ITS DUTIES AND RESPONSIBILITIES BY A FHS SUPPORT STAFF COMPRISED OF THE FOLLOWING POSITIONS -THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO) -CHIEF FINANCIAL OFFICER -CONTROLLER -DIRECTOR OF HUMAN RESOURCES FROM TIME TO TIME, THE COMMITTEE MAY REQUEST OTHER SYSTEM POSITIONS TO SERVE AS SUPPORT STAFF MEMBERS WHEN THE COMMITTEE VOTES ON COMPENSATION MATTERS RELATED TO ANY OF THE SUPPORT STAFF, THE SUPPORT STAFF SHOULD BE EXCUSED FROM THE MEETING IV COMMITTEE MEETINGS THE COMMITTEE SHALL MEET ON A REGULARLY SCHEDULED BASIS TWO TIMES PER YEAR OR MORE FREQUENTLY AS CIRCUMSTANCES DICTATE THE COMMITTEE SHALL MEET AT LEAST (ANNUALLY) WITH FHS'S PRESIDENT AND CEO AND OTHER CORPORATE OFFICERS THE BOARD AND COMMITTEE DEEM APPROPRIATE, TO DISCUSS AND REVIEW THE PERFORMANCE CRITERIA AND COMPENSATION LEVELS OF SYSTEM EXECUTIVES AND OTHER DISQUALIFIED PERSONS MEETINGS OF THE COMMITTEE MAY BE HELD TELEPHONICALLY A MAJORITY OF THE MEMBERS SHALL CONSTITUTE A QUORUM SUFFICIENT FOR THE TAKING OF ANY ACTION BY THE COMMITTEE V COMMITTEE RESPONSIBILITIES THE FOLLOWING RESPONSIBILITIES ARE SET FORTH AS A GUIDE WITH THE UNDERSTANDING THAT THE COMMITTEE MAY DIVERGE FROM THIS LIST AS APPROPRIATE GIVEN THE CIRCUMSTANCES THE COMMITTEE SHALL REPORT ANY DIVERGENCE FROM THIS LIST TO THE FULL BOARD THE COMMITTEE IS AUTHORIZED TO CARRY OUT THESE AND SUCH OTHER RESPONSIBILITIES ASSIGNED BY THE BOARD FROM TIME TO TIME, AND TAKE ANY ACTIONS REASONABLY RELATED TO THE MANDATE OF THIS CHARTER -ESTABLISH, REGULARLY REVIEW, AND APPROPRIATELY MODIFY THE FHS EXECUTIVE COMPENSATION PHILOSOPHY AND STRATEGY THE EXECUTIVE COMPENSATION PHILOSOPHY AND STRATEGY WILL BE REVIEWED AND APPROVED BY THE FULL BOARD -ADMINISTER EXECUTIVE COMPENSATION PROGRAMS IN A MANNER *CONSISTENT WITH THE EXECUTIVE COMPENSATION PHILOSOPHY AND STRATEGY, *THAT QUALIFIES FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE IRS INTERMEDIATE SANCTIONS REGULATIONS -VALIDATE THE GOALS AND OBJECTIVES RELEVANT TO THE COMPENSATION OF THE PRESIDENT AND CEO, SYSTEM EXECUTIVES, AND OTHER DISQUALIFIED PERSONS, INCLUDING ANNUAL PERFORMANCE OBJECTIVES -EVALUATE THE PERFORMANCE OF THE PRESIDENT AND CEO, AND REVIEW THE EVALUATIONS PREPARED BY THE PRESIDENT/CEO AND OTHER SYSTEM EVALUATION COMMITTEES OF OTHER EXECUTIVES/DISQUALIFIED PERSONS BASED ON APPROVED GOALS AND OBJECTIVES -ESTABLISH THE COMPENSATION LEVEL FOR THE PRESIDENT/CEO AND REVIEW AND APPROVE COMPENSATION RECOMMENDATIONS PREPARED BY THE PRESIDENT/CEO FOR ALL EXECUTIVES AND DO SAME FOR EXECUTIVES AND DISQUALIFIED PERSONS FROM OTHER SYSTEM ENTITIES -REVIEW AND APPROVE CHANGES, IN ADVANCE OF THEIR IMPLEMENTATION, INCLUDING *EXECUTIVE BASE SALARIES AND RANGE *AT RISK COMPENSATION PLANS *EXECUTIVE WELFARE AND RETIREMENT BENEFIT PLANS *OTHER EXECUTIVE FRINGE BENEFITS *EMPLOYMENT AGREEMENTS AND/OR SEVERANCE PLANS -MAINTAIN MINUTES OR OTHER RECORDS OF COMMITTEE MEETINGS AND ACTIVITIES, AS REQUIRED BY IRS INTERMEDIATE SANCTIONS REGULATIONS -ENGAGE INDEPENDENT, OUTSIDE ADVISORS TO PROVIDE OBJECTIVE AND IMPARTIAL COMPENSATION DATA AND EXPRESS AN OPINION ON THE REASONABLENESS OF TOTAL COMPENSATION -REVIEW PERIODICALLY THE COMPONENTS OF FHS'S EXECUTIVE TOTAL COMPENSATION PROGRAM TO DETERMINE WHETHER THEY ARE PROPERLY COORDINATED AND ACHIEVE THEIR INTENDED PURPOSE(S), AND APPROVE MODIFICATIONS, INCLUDING NEW PROGRAMS -VERIFY THAT COMPENSATION INFORMATION IS APPROPRIATELY AND FULLY DISCLOSED TO THE FULL BOARD AND ON THE ORGANIZATION'S FORM 990 AS REQUIRED BY REGULATION OR RECOMMENDED BY GOVERNANCE BEST PRACTICE -REPORT REGULARLY TO THE FULL BOARD AND TO OTHER SYSTEM BOARDS ON COMMITTEE FINDINGS AND APPROVED ACTIONS AND ANY OTHER MATTERS THE COMMITTEE DEEMS APPROPRIATE OR THE BOARD REQUESTS -CONDUCT AN ANNUAL SELF-EVALUATION OF THE COMMITTEE'S PERFORMANCE, INCLUDING ITS EFFECTIVENESS AND COMPLIANCE WITH THIS CHARTER - REVIEW AND REASSESS THE ADEQUACY OF THIS CHARTER ANNUALLY, AND AMEND IT AS THE COMMITTEE DEEMS APPROPRIATE -COMMUNICATE WITH EXTERNAL PARTIES, AS APPROPRIATE, REGARDING COMMITTEE PROCEDURES AND THE COMPENSATION OF THE ORGANIZATION'S EXECUTIVES AND OTHER DISQUALIFIED PERSONS OTHER DISQUALIFIED PERSONS</p>

DOCUMENT DISCLOSURE FORM 990, PART VI, SECTION C, LINE 19 THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE NOT MADE AVAILABLE TO THE PUBLIC RELATED HOURS FORM 990, PART VII, SECTION A, COLUMN B GARY DUNCAN, CEO, AND STEVE GRADDY, CFO, WORK APPROXIMATELY 60 HOURS PER WEEK BETWEEN FREEMAN NEOSHO HOSPITAL AND FREEMAN HEALTH SYSTEM PAULA BAKER, CCO, WORKS APPROXIMATELY 60 HOURS PER WEEK BETWEEN FREEMAN HEALTH SYSTEM AND OZARK CENTER TAX EXEMPT BONDS SCHEDULE K, PART II, LINE 4, COLUMN B THE REMAINING \$91,741 OF PROCEEDS WAS USED TO REDEEM A PORTION OF THE LEASE IN DECEMBER OF 2006 TAX EXEMPT BONDS SCHEDULE K, PART II, LINE 4, COLUMN C THE REMAINING \$804,351 OF PROCEEDS WAS USED TO REDEEM A PORTION OF THE LEASE IN MAY OF 2009

SCHEDULE R (Form 990)	Related Organizations and Unrelated Partnerships	OMB No 1545-0047
		2009
		Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
FREEMAN HEALTH SYSTEM

**Employer identification number**  
43-1704371

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(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
FHS HOLDINGS LLC 1102 W 32ND ST JOPLIN, MO 64804 20-5441528	LT ACUTE CARE	MO	160,332	662,494	

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(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
FREEMAN NEOSHO HOSPITAL  113 W HICKORY  NEOSHO, MO 64850 43-1240629	HOSPITAL	MO	501(C)(3)	3	N/A
FREEMAN FOUNDATION  1102 W 32ND ST  JOPLIN, MO 64804 43-1378264	FUNDRAISING	MO	501(C)(3)	11 A I	N/A
OZARK CENTER  3006 MCCLELLAND BLVD  JOPLIN, MO 64804 43-0821959	BEHAVRL HLTH	MO	501(C)(3)	9	N/A
MAGNOLIA HEIGHTS HOUSING CORPORATION  3006 MCCLELLAND BLVD  JOPLIN, MO 64804 47-0950622	HUD HOUSING	MO	501(C)(3)	11 A I	OZARK CENTER
CEDAR HILL HOUSING CORPORATION  3006 MCCLELLAND BLVD  JOPLIN, MO 64804 47-0943557	HUD HOUSING	MO	501(C)(3)	11 A I	OZARK CENTER
POPLAR PLACE HOUSING CORPORATION  3006 MCCLELLAND BLVD  JOPLIN, MO 64804 90-0462595	HUD HOUSING	MO	501(C)(3)	11 A I	OZARK CENTER

Part III

Identification of Related Organizations Taxable as a Partnership

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(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, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
FREEMAN SURGICAL CE  11221 ROE AVE STE 320 LEAWOOD LEAWOOD, KS66211 26-2652980	AMBULATORY SURGER	MO		RELATED	874	358,667		No		Yes	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(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

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

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)

1a

Yes

1b

Yes

1c

No

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

Yes

1l

No

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

Yes

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	(b) Transaction type(a-r)	(c) Amount involved
(1)	See Additional Data Table		
(2)			
(3)			
(4)			
(5)			
(6)			

**Part VI**   **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Software ID:  
Software Version:  
EIN: 43-1704371  
Name: FREEMAN HEALTH SYSTEM

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
FREEMAN NEOSHO HOSPITAL  113 W HICKORY NEOSHO, MO 64850 43-1240629	HOSPITAL	MO	501(C)(3)	3	N/A
FREEMAN FOUNDATION  1102 W 32ND ST JOPLIN, MO 64804 43-1378264	FUNDRAISING	MO	501(C)(3)	11 A I	N/A
OZARK CENTER  3006 MCCLELLAND BLVD JOPLIN, MO 64804 43-0821959	BEHAVRL HLTH	MO	501(C)(3)	9	N/A
MAGNOLIA HEIGHTS HOUSING CORPORATION  3006 MCCLELLAND BLVD JOPLIN, MO 64804 47-0950622	HUD HOUSING	MO	501(C)(3)	11 A I	OZARK CENTER
CEDAR HILL HOUSING CORPORATION  3006 MCCLELLAND BLVD JOPLIN, MO 64804 47-0943557	HUD HOUSING	MO	501(C)(3)	11 A I	OZARK CENTER
POPLAR PLACE HOUSING CORPORATION  3006 MCCLELLAND BLVD JOPLIN, MO 64804 90-0462595	HUD HOUSING	MO	501(C)(3)	11 A I	OZARK CENTER

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1)	OZARK CENTER	A	3,252
(2)	OZARK CENTER	B	216,000
(3)	FREEMAN NEOSHO HOSPITAL	D	69,664
(4)	OZARK CENTER	I	115,149
(5)	OZARK CENTER	K	605,905
(6)	OZARK CENTER	R	52,056
(7)	FREEMAN FOUNDATION	R	9,759,174

Additional Data

Software ID:

Software Version:

EIN: 43-1704371

Name: FREEMAN HEALTH SYSTEM

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
LANCE BESHORE PHD CHAIR	1 0	X		X				0	0	0
JAMES R BRACHT VICE CHAIR	1 0	X		X				0	0	0
LARRY MCINTIRE DO SECRETARY/TREASURER	60 0	X		X				657,289	0	28
JOHN M COX DO DIRECTOR	60 0	X						1,156,826	0	18,990
RODNEY MCFARLAND MD DIRECTOR	60 0	X						437,961	0	15,718
JIM ARMSTRONG DIRECTOR	1 0	X						0	0	0
DIAN DOODY BLANCHARD MD DIRECTOR	1 0	X						0	0	0
SCOTT BROTHERS DIRECTOR	1 0	X						0	0	0
GLENN BROWN DIRECTOR	1 0	X						0	0	0
RICHARD CAMPBELL DIRECTOR	1 0	X						0	0	0
DORIS CARLIN DIRECTOR	1 0	X						0	0	0
JAMES FLEISCHAKER DIRECTOR	1 0	X						0	0	0
LARRY NEFF DIRECTOR	1 0	X						0	0	0
GARY D DUNCAN PRESIDENT & CEO	54 0	X		X				592,190	0	135,566
JOE L KIRK EXECUTIVE VICE PRESIDENT	60 0			X				343,789	0	86,737
STEVE W GRADDY CFO	50 0			X				307,810	0	88,933
PAULA F BAKER CCO / CEO	45 0				X			145,821	76,088	47,348
PHILIP WILLCOXON SENIOR VP ADMINISTRATION	60 0				X			181,296	0	40,017
RICHARD D SCHOOLER CHIEF MEDICAL OFFICER	60 0				X			336,103	0	82,729
DEBRA M KOELKEBECK VP RETAIL/CLINICAL OPERATIONS	60 0				X			178,716	0	34,089
MICHAEL J LEONE CONTROLLER	60 0				X			211,917	0	44,509
WILLIAM J NICHOLAS PHYSICIAN	60 0					X		2,425,565	0	13,617
THOMAS B COY PHYSICIAN	60 0					X		1,774,875	0	15,990
DAVID L BLACK PHYSICIAN	60 0					X		1,440,744	0	19,890
ROBERT C STAUFFER PHYSICIAN	60 0					X		1,456,006	0	15,434

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
DAVID A BALL PHYSICIAN	60 0					X		1,096,689	0	38

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

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
PATIENT SERVICES	900,099	411,902,167	411,902,167		
CAFETERIA & VENDING	722,210	1,336,471	1,336,471		
UNRELATED HEALTH ESSENTIALS	900,099	3,741,076		3,741,076	
UNRELATED RETAIL PHARMACY	446,110	3,325,083		3,325,083	
UNRELATED LAB SERVICES	621,500	473,227		473,227	

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
BAD DEBT	29,819,253	29,819,253		
TAXES, LICENSES & DUES	687,780	476,035	211,285	460
RECRUITING & RETENTION	461,540	359,098	102,442	
MEDICAL SUPPLIES & DRUGS	63,021,158	63,021,158		
PROVIDER TAXES & FEES	18,050,253	18,050,253		