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Return of Organization Exempt From Income Tax

2009

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

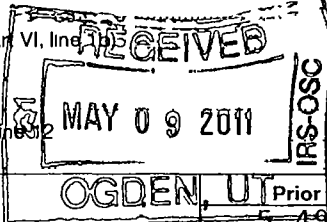
The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

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	Please use IRS label or print or type See Specific Instructions	C Name of organization		D Employer identification number
		MERCY FOUNDATION		23-7072762
		Doing Business As		E Telephone number
		Number and street (or P O box if mail is not delivered to street address) Room/suite		916-851-2700
		3400 DATA DR, 3RD FLOOR		G Gross receipts \$ 12,374,669.
City or town, state or country, and ZIP + 4		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
RANCHO CORDOVA, CA 95670		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No		
F Name and address of principal officer: LINDA CUTLER		H(c) Group exemption number ▶ 0928		
SAME AS C ABOVE				
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: WWW.MERCYFOUNDATIONSACRAMENTO.ORG				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1954 M State of legal domicile CA		

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities	RAISING PHILANTHROPIC SUPPORT AND COMMUNITY AWARENESS FOR THE MINISTRIES OF THE SISTERS OF MERCY	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	32
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	32
	5	Total number of employees (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	75
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 32	7a	0.
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	5,495,327.	6,034,848.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	718,063.	1,117,849.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<60,643.>	<15,185.>
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,152,747.	7,137,512.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	6,243,410.	6,815,624.
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,701.	9,503.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	244,474.	126,000.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,702,940.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	2,040,551.	2,448,736.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	8,533,136.	9,399,863.
19	Revenue less expenses Subtract line 18 from line 12	<2,380,389.>	<2,262,351.>	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	32,687,213.	31,115,717.
	22	Net assets or fund balances Subtract line 21 from line 20	6,496,844.	5,950,547.
		26,190,369.	25,165,170.	



Part II Signature Block

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

Sign Here: *Linda Cutler* Signature of officer Date: 4-28-11
 LINDA CUTLER President & CEO
 Type or print name and title

Paid Preparer's Use Only: Preparer's signature: *Linda D. Henry CPA* Date: 4/21/11 Check if self-employed: Preparer's identifying number (see instructions): P00364484
 Firm's name (or yours if self-employed), address, and ZIP + 4: GILBERT ASSOCIATES, INC. 2880 GATEWAY OAKS DR, STE 100 SACRAMENTO, CA 95833 EIN: 68-0037990 Phone no: 916-646-6464

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

SCANNED MAY 26 2011

g-16

5

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: RAISING PHILANTHROPIC SUPPORT AND COMMUNITY AWARENESS FOR THE MINISTRIES OF THE SISTERS OF MERCY IN THE AREAS OF HEALTHCARE, EDUCATION, AFFORDABLE HOUSING, AND CARE FOR THE POOR AND THE ELDERLY THROUGHOUT THE GREATER SACRAMENTO REGION.

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 [X] 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 [X] 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.

SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code:) (Expenses \$ 6,970,582. including grants of \$) (Revenue \$) GIVING STOCK CAN HELP COMBINE YOUR CHARITABLE GIVING GOALS WITH EFFECTIVE ESTATE AND FINANCIAL PLANNING. BY GIVING APPRECIATED STOCK TO MERCY FOUNDATION, YOU AVOID CAPITAL GAIN TAXES THAT WILL BE DUE AS A RESULT OF ITS SALE. THIS WAY, YOU TURN STOCK MARKET GAINS INTO COMMUNITY INVESTMENT TO CARE FOR THOSE IN GREATEST NEED.

GRANTS

MERCY FOUNDATION ALSO RELIES ON SUPPORT FROM FAMILY AND CORPORATE FOUNDATIONS. WITH A WIDE VARIETY OF PROGRAMS AVAILABLE TO SUPPORT THOSE IN NEED, THE MINISTRIES OF THE SISTERS OF MERCY HAVE SIMILARITIES TO MANY GRANTING ORGANIZATIONS' FUNDING PRIORITIES.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$) MINISTRIES OF THE SISTERS OF MERCY

THE SISTERS OF MERCY ARRIVED IN SACRAMENTO IN 1857 TO CARE FOR THE SICK, POOR AND UNEDUCATED. LISTED ARE THE MINISTRIES OF THE SISTERS OF MERCY SUPPORTED BY MERCY FOUNDATION.

- MERCY GENERAL HOSPITAL
MERCY HOSPITAL OF FOLSOM
MERCY SAN JUAN MEDICAL CENTER
METHODIST HOSPITAL OF SACRAMENTO
MERCY FAMILY HEALTH CENTER
MERCY HOSPICE

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

4d Other program services. (Describe in Schedule O) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 6,970,582.

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)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
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? <i>If "Yes," complete Schedule D, Part I</i>	X	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		
	• 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? <i>If "Yes," complete Schedule D, Part VII</i>		
	• 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? <i>If "Yes," complete Schedule D, Part VIII</i>		
	• 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? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		
	• 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? <i>If "Yes," complete Schedule D, Part X</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>		
		Yes	No
			X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	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? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
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? <i>If "Yes," complete Schedule G, Part I</i>	X	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
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>	X	
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>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 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>	X	
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 lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b 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>		X
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>		X
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>		X
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):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	X	
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c 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 direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
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>	X	
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
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>		X
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>		X
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>	X	
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>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
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>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part VI: Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
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?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
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.		X

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization. **▶**
TRISHA PENA - 916-851-2708
3400 DATA DRIVE, RANCHO CORDOVA, CA 95670

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

Check this box if the organization did not compensate any current officer, director, or trustee.

(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			
GIL A. ALBIANI PAST BOARD CHAIR	1.00	X						0.	0.	0.
CHRISTI BLACK MEMBER	1.00	X						0.	0.	0.
RICHARD BOJE MEMBER	1.00	X						0.	0.	0.
PATRICE N. COYLE MEMBER	1.00	X						0.	0.	0.
KEN CRAWFORD MEMBER	1.00	X						0.	0.	0.
CECILIA M. DELURY MEMBER	1.00	X						0.	0.	0.
CATHERINE DOUGHERTY MEMBER	1.00	X						0.	0.	0.
KATHERINE DOYLE, RSM MEMBER	1.00	X						0.	0.	0.
EILEEN ENRIGHT MEMBER	1.00	X						0.	0.	0.
ROBERT FLAUTT MEMBER	1.00	X						0.	0.	0.
JOAN GANN MEMBER	1.00	X						0.	0.	0.
LAWRENCE B. GARCIA MEMBER	1.00	X						0.	0.	0.
MICHAEL T. GENOVESE MEMBER	1.00	X						0.	0.	0.
DIANE R. GRENZ MEMBER	1.00	X						0.	0.	0.
DEE HARTZOG MEMBER	1.00	X						0.	0.	0.
JERRI HUNT MEMBER	1.00	X						0.	0.	0.
SKIP A. JAHN MEMBER	1.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JACK KIMMEL MEMBER	1.00	X						0.	0.	0.
ALDO L. LOVOTTI MEMBER	1.00	X						0.	0.	0.
GARRY P. MAISEL SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
SHARON MARGETTS MEMBER	1.00	X						0.	0.	0.
ROBIN L. MARTIAL MEMBER	1.00	X						0.	0.	0.
TIMOTHY MORAN MEMBER	1.00	X						0.	0.	0.
ALICE PEREZ MEMBER	1.00	X						0.	0.	0.
MARK READ MEMBER	1.00	X						0.	0.	0.
SILVIO REGGIARDO MEMBER	1.00	X						0.	0.	0.
TIM ROGERS MEMBER	1.00	X						0.	0.	0.
1b Total								625,467.	0.	99,798.

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 **4**

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

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 **NONE**

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

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 **0**

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

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	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c	108,466.				
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	47,492.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	5,878,890.				
	g	Noncash contributions included in lines 1a-1f \$		37,919.				
	h	Total. Add lines 1a-1f		6,034,848.				
	Program Service Revenue	2 a		Business Code				
b								
c								
d								
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		636,219.			636,219.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		b	Less: rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less cost or other basis and sales expenses					
		c	Gain or (loss)					
		d	Net gain or (loss)			481,630.		481,630.
	8 a	Gross income from fundraising events (not including \$ 108,466. of contributions reported on line 1c) See Part IV, line 18	a		99,254.			
		b	Less direct expenses	b	114,439.			
		c	Net income or (loss) from fundraising events		<15,185.>			<15,185.>
	9 a	Gross income from gaming activities See Part IV, line 19	a					
b		Less: direct expenses	b					
c		Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a						
	b	Less: cost of goods sold	b					
	c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code					
11 a								
	b							
	c							
	d	All other revenue						
	e	Total. Add lines 11a-11d						
12	Total revenue. See instructions			7,137,512.	0.	0.	1102664.	

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	6,785,624.	6,785,624.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	30,000.	30,000.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	9,503.	9,503.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal	10,898.		5,456.	5,442.
c Accounting	31,200.		31,200.	
d Lobbying				
e Professional fundraising services See Part IV, line 17	126,000.			126,000.
f Investment management fees				
g Other	229,080.			229,080.
12 Advertising and promotion	37,017.			37,017.
13 Office expenses	119,915.	10,592.	45,015.	64,308.
14 Information technology	62,714.		37,461.	25,253.
15 Royalties				
16 Occupancy	76,640.	11,496.	26,824.	38,320.
17 Travel	14,498.		14,244.	254.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	49,337.		18,953.	30,384.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,714.	1,907.	4,450.	6,357.
23 Insurance				
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 REIMB PERSONNEL EXPENSE	1,744,488.	121,460.	482,503.	1,140,525.
b TRAINING	53,584.		53,584.	
c MISCELLANEOUS	6,651.		6,651.	
d _____				
e _____				
f All other expenses _____				
25 Total functional expenses. Add lines 1 through 24f	9,399,863.	6,970,582.	726,341.	1,702,940.
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) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	5,639.	1	56,783.
	2	Savings and temporary cash investments	1,189,470.	2	788,050.
	3	Pledges and grants receivable, net	1,916,813.	3	2,256,425.
	4	Accounts receivable, net	335,079.	4	426,695.
	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	1,056,025.	7	1,056,025.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	22,501.	9	7,501.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 306,587.		
	10b	Less: accumulated depreciation	10b 84,233.		
	10c		5,208.	10c	222,354.
	11	Investments - publicly traded securities	18,395,604.	11	16,292,537.
	12	Investments - other securities See Part IV, line 11	89,622.	12	49,447.
	13	Investments - program-related See Part IV, line 11	66,351.	13	71,839.
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11	9,604,901.	15	9,888,061.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	32,687,213.	16	31,115,717.	
Liabilities	17	Accounts payable and accrued expenses	342,111.	17	399,425.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	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		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities Complete Part X of Schedule D	6,154,733.	25	5,551,122.
	26	Total liabilities. Add lines 17 through 25	6,496,844.	26	5,950,547.
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	4,076,724.	27	5,873,929.
	28	Temporarily restricted net assets	16,509,063.	28	13,686,459.
	29	Permanently restricted net assets	5,604,582.	29	5,604,782.
	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	26,190,369.	33	25,165,170.
	34	Total liabilities and net assets/fund balances	32,687,213.	34	31,115,717.

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 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.

d 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:

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b 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.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization **MERCY FOUNDATION** Employer identification number **23-7072762**

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 described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 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 supported organization?

	Yes	No
11g(i)		X
11g(ii)		X
11g(iii)		X
 - (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	
SISTERS OF MERCY OF THE CATHOLIC HEALTHCARE W	26-24008001		X		X		X		682,539.
	94-11962033		X		X		X		6,103,085.
Total									6,785,624.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 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 from 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 a 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 III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public 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
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17		%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18		%

19a 33 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 ▶

b 33 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 ▶

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

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

MERCY FOUNDATION

Employer identification number

23-7072762

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	7	
2 Aggregate contributions to (during year)	46,955.	
3 Aggregate grants from (during year)	75,980.	
4 Aggregate value at end of year	373,568.	

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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? Yes No

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

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

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 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 Tax 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 tax 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 section 170(h)(4)(B)(ii)? Yes No

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

3 Using the organization's acquisition, 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 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:

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	5,604,582.	5,598,182.			
b Contributions	200.	1,438,586.			
c Net investment earnings, gains, and losses	819,306.	<1330384.>			
d Grants or scholarships					
e Other expenditures for facilities and programs	819,306.	101,802.			
f Administrative expenses					
g End of year balance	5,604,782.	5,604,582.			

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

- a Board designated or quasi-endowment _____ %
- b Permanent endowment 100.00 %
- c Term endowment _____ %

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

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		306,587.	84,233.	222,354.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				222,354.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	7,137,512.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	9,399,863.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	<2,262,351.>
4	Net unrealized gains (losses) on investments	4	1,237,152.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	1,237,152.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	<1,025,199.>

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	8,501,748.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	1,237,152.
b	Donated services and use of facilities	2b	12,645.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	1,249,797.
3	Subtract line 2e from line 1	3	7,251,951.
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	<114,439.>
c	Add lines 4a and 4b	4c	<114,439.>
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	7,137,512.

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

1	Total expenses and losses per audited financial statements	1	9,526,947.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	12,645.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	114,439.
e	Add lines 2a through 2d	2e	127,084.
3	Subtract line 2e from line 1	3	9,399,863.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	9,399,863.

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, line 2; 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

PART V, LINE 4: THE INTENDED USE OF MERCY FOUNDATION'S ENDOWMENT FUNDS

IS TO PRESERVE AND ENHANCE THE VALUE OF THE ENTRUSTED FUNDS AND TO USE THE INTEREST INCOME PER DONOR INTENT.

PART X: THE FOUNDATION ADOPTED THE ACCOUNTING PRINCIPLES

RELATED TO ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES AS DESCRIBED UNDER

FINANCIAL ACCOUNTING STANDARDS BOARD (FASB ASC 740-10) AS OF JULY 1, 2009,

AND HAS DETERMINED THAT THERE IS NO MATERIAL IMPACT ON THE FINANCIAL

Part XIV Supplemental Information (continued)

STATEMENTS FOR JUNE 30, 2010.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

\$114,440 SPECIAL EVENT EXPENSES

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

\$114,440 SPECIAL EVENT EXPENSES

PART V - ENDOWMENT FUNDS:

NOTE THAT ON THE PRIOR YEAR 990, MERCY'S REPORTING OF THE ENDOWMNET FUNDS INCLUDED ITEMS TAHT WERE NOT TRULY A PART OF THE PERMANENTLY RESTRICTED ENDOWMENT. REPORTING DID NOT MATCH THE AUDITED FINANCIAL STATEMENTS. MERCY HAS CHANGED THE REPORTING OF PRIOR YEAR TO SHOW THE BEGINNING AND ENDING BALANCE ACCORDING TO THE AUDITED FINANCIAL STATEMENTS. THE INVESTMENT GAIN/LOSS IS NOT REFLECTED IN THE AUDITED FINANCIAL STATEMENTS, SO ON SCHEDULE D THIS AMOUNT IS OFFSET BY EITHER A CONTRIBUTION FROM THE ORGANIZATION TO COVER A LOSS OR EXPENDITURES BY THE ORGANIZATION TO REFLECT A GAIN.

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 (add col (a) through col. (c))	
		SWING AT BREAST CANCER (event type)	METHODIST GOLF TOURNAM (event type)	NONE (total number)		
Revenue	1	140,540.	67,180.		207,720.	
	2	77,776.	30,690.		108,466.	
	3	62,764.	36,490.		99,254.	
Direct Expenses	4					
	5		230.		230.	
	6	36,523.	18,990.		55,513.	
	7					
	8					
	9	41,630.	17,066.		58,696.	
	10	Direct expense summary. Add lines 4 through 9 in column (d)			(114,439.)
	11	Net income summary. Combine line 3, column (d), and line 10			>	<15,185.>

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				
Direct Expenses	2				
	3				
	4				
	5				
	6	<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 line 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? b If "No," explain: _____	9a	
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? b If "Yes," explain: _____	10a	
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	

13 Indicate the percentage of gaming activity operated in:

- a The organization's facility
- b An outside facility

13a		%
13b		%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?

15a

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer
 Employee
 Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

17a

- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
TUITION ASSISTANCE	21	30,000.	0.		

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

SCHEDULE I, PART I, LINE 2: GRANTS: MERCY FOUNDATION HAS BEEN ESTABLISHED BY THE SISTERS OF MERCY TO ENCOURAGE AND DEVELOP FINANCIAL SUPPORT FOR THE SISTERS OF MERCY AND IS RESPONSIBLE FOR RAISING PHILANTHROPIC SUPPORT AND COMMUNITY AWARENESS FOR THE MINISTRIES OF THE SISTERS OF MERCY IN THE AREAS OF HEALTHCARE, EDUCATION, AFFORDABLE HOUSING, AND CARE FOR THE POOR AND THE ELDERLY THROUGHOUT THE GREATER SACRAMENTO REGION. ONE HUNDRED PERCENT OF ALL DONATIONS GO DIRECTLY TO THE PROGRAM OF THE DONOR'S CHOICE. THIS IS MADE POSSIBLE BY AN OPERATING GRANT TO MERCY FOUNDATION BY CHW.

Part IV Supplemental Information

TUITION ASSISTANCE PAYMENTS ARE MADE TO INDIVIDUALS IN ACCORDANCE WITH PROCEDURES OR SUBJECT TO CONDITIONS ESTABLISHED BY THE ORGANIZATION'S GOVERNING BOARD DESIGNED TO ENSURE THAT INDIVIDUALS RECEIVING TUITION ASSISTANCE ARE ADEQUATELY INVESTIGATED TO ENSURE THAT THEY ARE QUALIFIED RECIPIENTS.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No-1545-0047

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

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

▶ Attach to Form 990. ▶ See separate instructions.

2009

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Department of the Treasury
Internal Revenue Service

Name of the organization

MERCY FOUNDATION

Employer identification number

23-7072762

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only section 501(c)(3) and 501(c)(4) organizations 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?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

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

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is 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				
KEVIN DUGGAN	(i)	157,236.	9,408.	480.	8,694.	194,913.	0.
	(ii)	0.	0.	0.	0.	0.	0.
ALISON SADLER	(i)	146,338.	12,013.	836.	8,283.	180,895.	0.
	(ii)	0.	0.	0.	0.	0.	0.
KIM RHINEHELDER	(i)	138,648.	8,506.	6,846.	7,652.	175,225.	0.
	(ii)	0.	0.	0.	0.	0.	0.
ROSEMARY YOUNTS	(i)	126,094.	18,510.	552.	7,588.	164,729.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No -1545-0047-

2009

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Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form
990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

Name of the organization: **MERCY FOUNDATION** Employer identification number: **23-7072762**

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		11,392.	FMV
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	1	5,727.	FMV
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (<u>ELECTRONICS</u>)	X	2	20,800.	FMV
26	Other ▶ (_____)				
27	Other ▶ (_____)				
28	Other ▶ (_____)				

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

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2009

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Inspection

Name of the organization

MERCY FOUNDATION

Employer identification number

23-7072762

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

IN THE AREAS OF HEALTHCARE, EDUCATION, AFFORDABLE HOUSING, AND CARE FOR
THE POOR AND THE ELDERLY THROUGHOUT THE GREATER SACRAMENTO REGION.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

IN-KIND GIFTS

A NON-CASH GIFT, ALSO CALLED AN IN-KIND GIFT, IS A NON-MONETARY
CONTRIBUTION OF EQUIPMENT, SUPPLIES, CORPORATE SERVICES/FACILITIES,
PROFESSIONAL SERVICES OR OTHER PROPERTY THAT WILL BENEFIT THE WORKS OF
MERCY PROGRAMS AND SERVICES. IN-KIND GIFTS ARE TAX-DEDUCTIBLE.

PLANNED GIFTS

ALTERNATE METHODS OF GIVING HAVE BECOME VERY POPULAR. DEFERRED OR
PLANNED GIVING ENCOMPASSES VARIOUS PLANS THAT ARE DESIGNED TO LET YOU
(AND EVEN A SURVIVOR, IF YOU WISH) ENJOY THE LIFETIME BENEFITS OF YOUR
INTENDED GIFT.

WILLS AND BEQUESTS

INCLUDING A CHARITABLE BEQUEST IN YOUR WILL IS AN EFFECTIVE WAY TO MAKE
A LASTING GIFT TO YOUR COMMUNITY AND BECOMES YOUR PERSONAL LEGACY OF
GIVING. MOST ESTATES HAVE THREE CATEGORIES OF BENEFICIARIES: HEIRS,
CHARITABLE ORGANIZATIONS AND THE GOVERNMENT. THE FOUNDATION ENCOURAGES

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(Form 990)

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Supplemental Information to Form 990

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DONORS TO MAXIMIZE THEIR GIFTS TO THE FIRST TWO AND LIMIT THE THIRD.

THIS CAN BE ACCOMPLISHED THROUGH CAREFUL ESTATE PLANNING.

CHARITABLE GIFT ANNUITIES

A DONOR CAN WORK DIRECTLY WITH MERCY FOUNDATION TO ESTABLISH A
CHARITABLE GIFT ANNUITY, A POPULAR WAY OF GIVING THAT COMBINES THE
BENEFIT OF AN INVESTMENT AND A GIFT, AND PROVIDES LIFE INCOME TO THE
DONOR (AND ANOTHER RECIPIENT IF DESIRED THE - ANNUITANTS).

CHARITABLE REMAINDER TRUSTS

YOU CAN PLAN FOR THE FUTURE FOR YOU AND YOUR COMMUNITY. A CHARITABLE
REMAINDER TRUST ALLOWS YOU TO INVEST SIGNIFICANT ASSETS AND RECEIVE
INCOME FOR THE REST OF YOUR LIFE, KNOWING THAT WHATEVER REMAINS WILL
BENEFIT YOUR COMMUNITY.

MERCY FOUNDATION UNDERSTANDS THAT YOUR PHILANTHROPIC GIVING MUST BLEND
WITH YOUR OWN FINANCIAL NEEDS AND TAX PLANNING. THAT'S WHY, WITH A
DONOR'S LEGAL AND TAX ADVISORS, MERCY FOUNDATION'S EXPERT STAFF WILL
HELP CREATE A PLAN THAT SUITS A DONOR'S PERSONAL CIRCUMSTANCES.

FOR MORE INFORMATION ON HOW YOU CAN GIVE TO SUPPORT THE WORKS OF MERCY
GO TO THE FOUNDATION'S WEBSITE AT WWW.SUPPORTMERCYFOUNDATION.ORG OR
CALL 916-851-2700.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

Employer identification number

23-7072762

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

MERCYCLINIC FOLSOM

MERCYCLINIC LOAVES & FISHES

MERCYCLINIC NORTH HIGHLANDS

MERCYCLINIC NORWOOD

MERCYCLINIC WHITE ROCK

CRISTO REY HIGH SCHOOL SACRAMENTO

MERCY EDUCATION RESOURCE CENTER

MERCY HOUSING CALIFORNIA

HOUSING DEVELOPMENT

RESIDENTIAL PROGRAMS

MERCY CENTER AUBURN

MERCY BEYOND BORDERS

MERCY MCMAHON TERRACE

MERCY VOLUNTEER CORPS.

ACCOMPLISHMENTS IN FISCAL YEAR 2010

DEVELOPED AND IMPLEMENTED NEW MISSION STATEMENT, VISION STATEMENT AND

CORE VALUES

CREATED AND IMPLEMENTED MERCY FOUNDATIONS QUARTERLY NEWSLETTER

HORIZONS

DEVELOPED AND IMPLEMENTED MERCY MINISTRY TOURS

DEVELOPED AND IMPLEMENTED A BEQUEST MARKETING EFFORT

DEVELOPED AND IMPLEMENTED THE GRATEFUL PATIENT & FAMILIES PROGRAM,

SCHEDULE O
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Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
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INCREASING NEW DONORS TO FOUNDATION BY MORE THAN 100%

INCREASED EMPLOYEE GIVING THROUGH MINISTRY ROAD SHOWS AND EMPLOYEE

LENDS A HAND PROGRAM RESULTING IN 35% INCREASE IN DOLLARS RAISED

IMPLEMENTED DONOR THANK YOU CALL PROGRAM

RECRUITED NEW BOARD MEMBERS AND RE-ENERGIZED EXISTING BOARD MEMBERS

WITH NEW OPPORTUNITIES FOR INVOLVEMENT, INCLUDING THE NEW COMMITTEES

AND TASK FORCES

CONDUCTED DONOR SURVEY AND USED RESULTS TO FURTHER ENHANCE THE

STEWARDSHIP OF DONORS

CREATED A DONOR PROSPECT CLEARANCE SYSTEM ENSURING A DONOR-CENTERED

APPROACH TO SOLICITATION

CREATED A MOVES MANAGEMENT SYSTEM, ALIGNING THE EXPECTATIONS THE

FOUNDATION HAS OF ITS FUNDRAISING STAFF WITH THE ANNUAL FUNDRAISING

GOALS.

PUT IN PLACE A VARIETY OF NEW POLICIES AND PROCEDURES

IMPLEMENTED NEW DONOR DATABASE TOOLS AND IMPROVED FUNCTIONALITY OF

DONOR DATABASE

FORM 990, PART VI, SECTION A, LINE 2: A MEMBER OF THE FOUNDATION'S BOARD
OF DIRECTORS IS EMPLOYED BY, AND HOLDS AN OWNERSHIP IN, A FIRM THAT MANAGES
CERTAIN INVESTMENTS AND CHARITABLE TRUST ACCOUNTS OF THE FOUNDATION. TOTAL
MANAGED FUNDS WERE \$10,411,550 AND MANAGEMENT FEES EARNED BY THE INVESTMENT
FIRM FOR THOSE SERVICES TOTALED \$33,029 FOR THE YEAR ENDED JUNE 30, 2010.

FORM 990, PART VI, SECTION A, LINE 6: THE MEMBERS CONSIST OF 5

INDIVIDUALS (3 ARE MEMBERS OF AND APPOINTED BY THE SISTERS OF MERCY AND 2

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

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23-7072762

ARE APPOINTED BY CHW).

FORM 990, PART VI, SECTION A, LINE 7A: THE CORPORATE MEMBERS MAY APPOINT
AND REMOVE EACH MEMBER OF THE BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION A, LINE 7B: THE CORPORATE MEMBERS OF THE
FOUNDATION HAVE RESERVED RIGHTS. THEIR RESERVED RIGHTS ARE AS FOLLOWS:

I. APPROVE THE MISSION, PHILOSOPHY, LONG-RANGE GOALS, STRATEGIC PLANS AND
MAJOR STANDARDS OF THE FOUNDATION.

II. APPOINT AND REMOVE EACH MEMBER OF THE BOARD OF TRUSTEES.

III. DETERMINE THE NUMBER OF MEMBERS OF THE BOARD OF TRUSTEES.

IV. APPROVE THE APPOINTMENT OF THE CHAIR AND SECRETARY OF THE FOUNDATION.

V. APPOINT AND/OR REMOVE THE FOUNDATION PRESIDENT.

VI. APPROVE THE CAPITAL AND OPERATING BUDGETS OF THE FOUNDATION.

VII. RECEIVE THE ANNUAL AUDITORS REPORT AS TO THE FOUNDATION.

VIII. APPROVE THE SELECTION OF THE AUDITORS AND GENERAL LEGAL COUNSEL FOR
THE FOUNDATION.

IX. APPROVE ANY MERGER, CONSOLIDATION OR DISSOLUTION OF THE FOUNDATION.

X. APPROVE THE ESTABLISHMENT OF ANY NEW CONSTITUENT FOUNDATION OR ANY
SUBSIDIARY CORPORATION OR OPERATING CORPORATION OF THE FOUNDATION.

XI. APPROVE ANY BORROWING OF MONEY OR INCURRING OF INDEBTEDNESS BY THE
FOUNDATION.

XII. APPROVE THE PURCHASE OF REAL ESTATE ASSETS OR ANY INTEREST THEREIN.

XIII. APPROVE THE EXPENDITURES OR TRANSFERS OF ASSETS TO A PERSON OR
ORGANIZATION OUTSIDE CHW AND/OR THE MERCY COMMUNITY WHERE SUCH EXPENDITURES
OR TRANSFER EXCEEDS 10% OF THE ASSETS OF THE FOUNDATIONS BALANCE SHEET,

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Department of the Treasury
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Supplemental Information to Form 990

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

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OTHER THAN TRANSFERS TO A BENEFICIARY PURSUANT TO A DESIGNATED RESTRICTED
GIFT.

FORM 990, PART VI, SECTION B, LINE 11: THE MERCY FOUNDATION FINANCE
COMMITTEE WILL REVIEW THE 990 BEFORE SUBMISSION. THEN THE 990 WILL BE MADE
AVAILABLE TO THE BOARD.

FORM 990, PART VI, SECTION B, LINE 12C: YES EACH YEAR A NEW CONFLICT OF
INTEREST STATEMENTS IS SIGNED BY EACH OF THE BOARD OF TRUSTEES. THIS
PROCESS IS MONITORED BY STAFF. AREAS WHERE A CONFLICT MAY ARISE ARE IN
ACTIVITIES SUCH AS SUPPLIES OF GOODS & SERVICES, ENTITIES WITH WHICH MERCY
IS DEALING OR PLANS TO DEAL IN CONNECTION WITH THE LEASE, PURCHASE, SALE OR
GIFT OF REAL OR PERSONAL PROPERTY, OTHER FOUNDATIONS, HOSPITALS, HOME
HEALTH, DONORS OR OTHERS GIVING SUPPORT TO MERCY, PATIENTS, RESIDENTS AND
OTHERS RECEIVING CARE AND SERVICES, THIRD PARTY PAYERS OF HOSPITAL OR OTHER
HEALTH CARE BENEFITS, BANKS OR OTHER LENDING OR SAVINGS OR TRUST
INSTITUTIONS, INSURANCE COMPANIES, INVESTMENT COMPANIES, OR FINANCIAL
PLANNING INSTITUTIONS AND OTHER ENTITIES WHICH MY AFFECT THE OPERATION OF
MERCY FOUNDATION. THE NATURE OF CONFLICTING INTEREST THAT MIGHT REASONABLY
BE PERCEIVED BY OTHERS TO AFFECT THE JUDGMENT OR CONDUCT OF THE INDIVIDUAL,
SUCH AS, BUT NOT LIMITED TO: OWING STOCK OR OTHER PROPRIETARY INTERESTS,
HOLDING DEBT OR DEBT SECURITIES, HOLDING OFFICE, SERVING ON THE BOARD OF
DIRECTORS, PARTICIPATING IN MANAGEMENT OR BEING OTHERWISE EMPLOYED OR
FORMERLY EMPLOYED, RECEIVING REMUNERATIONS FOR SERVICES WITH RESPECT TO
INDIVIDUAL TRANSACTIONS, RECEIVING GIFTS OR UNSECURED LOANS, OBTAINING OR
HOLDING AN INTEREST IN REAL ESTATE, SECURITIES OR OTHER PROPERTY WHICH

SCHEDULE O
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Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

MERCY FOUNDATION

Employer identification number

23-7072762

MERCY IS CONSIDERING BUYING, LEASING OR SELLING OR DISCLOSING OR USING INFORMATION RELATING TO MERCY'S BUSINESS OR OPERATIONS FOR THE PERSONAL PROFIT OR ADVANTAGES OF THE INDIVIDUAL. THE FOLLOWING CONFLICTS OF INTEREST ARE APPARENT AND ABSOLUTELY PROHIBITED: LOANS, GIFTS, GRATUITIES AND ENTERTAINMENT AND INFORMATION OBTAINED THROUGH ASSOCIATION WITH MERCY.

FORM 990, PART VI, SECTION B, LINE 15: THE PRESIDENT'S SALARY AND PERFORMANCE EVALUATION IS PERFORMED EACH YEAR BY THE BOARD OF DIRECTORS. COMPENSATION IS DETERMINED BY CATHOLIC HEALTHCARE WEST. OTHER KEY EMPLOYEES ARE DETERMINED BY MANAGEMENT AND SALARY IS APPROVED BY HR. EACH EMPLOYEE RECEIVES AN ANNUAL EVALUATION.

FORM 990, PART VI, SECTION C, LINE 19: MERCY FOUNDATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 2C

THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

SCHEDULE G, PART I, LINE 2B, COLUMN (V): MERCY FOUNDATION IS CHARGED A FLAT RATE EACH MONTH FOR CONSULTING SERVICES THAT ARE PROVIDED BY LESTER AND JEROLD

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: MICHAEL GENOVESE

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

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(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER OF BOARD OF DIRECTORS & MANAGER OF INVESTED FUNDS

(D) DESCRIPTION OF TRANSACTION: MANAGEMENT FEES FOR INVESTMENTS

(A) NAME OF PERSON: TIM ROGERS

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER OF BOARD OF DIRECTORS & MANAGER OF INVESTED FUNDS

(D) DESCRIPTION OF TRANSACTION: MANAGEMENT FEES FOR INVESTMENTS

2009 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction in Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	MACHINERY & EQUIPMENT AND FURNITURE											
	* 990 PAGE 10 TOTAL			7.00	16	76,697.			76,697.	71,489.		5,208.
	MACHINERY & EQUIP					76,697.		0.	76,697.	71,489.	0.	5,208.
	* GRAND TOTAL 990 PAGE 10 DEPR					76,697.		0.	76,697.	71,489.	0.	5,208.

4562

OMB No- 1545-0172

Depreciation and Amortization 990
(Including Information on Listed Property)

2009

Department of the Treasury
Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Attachment
Sequence No 67

Name(s) shown on return

Business or activity to which this form relates

Identifying number

MERCY FOUNDATION

FORM 990 PAGE 10

23-7072762

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

Table with 5 columns: Line number, Description, and Amount. Includes lines 1-13 for Section 179 election details.

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

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

Table with 3 columns: Line number, Description, and Amount. Includes lines 14-16 for special depreciation allowance.

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

Section A

Table with 3 columns: Line number, Description, and Amount. Includes lines 17-18 for MACRS deductions.

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Includes rows 19a-i.

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method, (e) Depreciation deduction. Includes rows 20a-c.

Part IV Summary (See instructions.)

Table with 3 columns: Line number, Description, and Amount. Includes lines 21-23 for summary totals.

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

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

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

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

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with 9 columns for property details and percentages.

27 Property used 50% or less in a qualified business use: Table with 9 columns for property details and S/L percentages.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

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

Table for Section B with 6 main columns: (a) Vehicle, (b) Vehicle, (c) Vehicle, (d) Vehicle, (e) Vehicle, (f) Vehicle. Includes rows 30-36 for mileage and personal use questions.

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

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

Table for Section C with 2 columns: Yes, No. Includes rows 37-41 for policy and use questions.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year

42 Amortization of costs that begins during your 2009 tax year:

43 Amortization of costs that began before your 2009 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44