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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2009 Open to Public Inspection
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A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010			
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS	D Employer identification number 37-0661244
		Doing Business As ORDER OF ST FRANCIS	E Telephone number (217) 464-2966
		Number and street (or P O box if mail is not delivered to street address) 1800 E LAKE SHORE DRIVE	G Gross receipts \$ 135,795,542
		City or town, state or country, and ZIP + 4 DECATUR, IL 62521	
	F Name and address of principal officer kevin f kast 1800 E LAKE SHORE DRIVE DECATUR, IL 62521		H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶ 0928
I Tax-exempt status ☒ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527			
J Website: ▶ WWW.STMARYSDECATUR.COM			
K Form of organization ☐ Corporation ☐ Trust ☐ Association ☒ Other ▶ 501(C) (3)		L Year of formation 1878	
		M State of legal domicile IL	

Part I		Summary		
Activities & Governance	1	Briefly describe the organization's mission or most significant activities To participate in the health care ministry of the church and provide a family-centered approach in meeting the community's health care needs regardless of ability to pay		
	2	Check this box ☒ 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 1	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5	Total number of employees (Part V, line 2a)	5 1,42	
	6	Total number of volunteers (estimate if necessary)	6 21	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 165,95	
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 2,771,025	Current Year 3,287,686
	9	Program service revenue (Part VIII, line 2g)	116,177,780	126,707,304
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,877,476	1,516,301
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,806,460	2,071,531
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	118,877,789	133,582,822
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	55,724,620	57,514,189
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	65,876,901	78,895,901
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	121,601,521	136,410,090
	19	Revenue less expenses Subtract line 18 from line 12	-2,723,732	-2,827,268
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	148,736,612	149,184,672
	21	Total liabilities (Part X, line 26)	66,112,922	83,481,117
	22	Net assets or fund balances Subtract line 21 from line 20	82,623,690	65,703,555

Part II Signature Block	
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 2011-05-09 Date
	Kevin F Kast Chief Executive Officer Type or print name and title
Paid Preparer's Use Only	Preparer's signature KPMG LLP Date Check if self-employed ☒ Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 KPMG LLP 191 West Nationwide Blvd Ste 500 Columbus, OH 432152568
	EIN Phone no (614) 249-2300

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

To participate in the health care ministry of the church and provide a family-centered approach in meeting the community's health care needs regardless of ability to pay

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

4a

(Code) (Expenses \$ 103,882,598 including grants of \$) (Revenue \$ 126,707,304)

SEE SCHEDULE O - Statement of Program Service Accomplishments

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 103,882,598

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any 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?	Yes	No
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 	12A	Yes
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	No
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		No
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		No
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		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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	Yes	
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	Yes	
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		No
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	Yes	
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		No
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>	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? Note. 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	65	
	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	
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	1,423	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (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: 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	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	
8 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	No
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	No
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	No
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	10	
b	Enter the number of voting members that are independent . . .	1b	7	
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		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
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	Yes	

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		No
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		

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. ☐ Own website ☐ Another's website ☒ Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ REBECCA COLKER 1800 E LAKE SHORE DRIVE DECATUR, IL 62521 (217) 464-2970	

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

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

Form **990** (2009)

1b	Total	2,444,050	581,218	725,925
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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▶47

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
Central Illinois Emergency Physicia 75 Remittance Drive Suite 1707 Chicago, IL 60675	Emergency Physicians	996,022
Pencek Terrence MD 1750 E Lake Shore Drive Suite LL2 Decatur, IL 62521	PHYSICIANS	725,000
Urologic Surgery Assoc SC 1700 E Lake Shore Drive Decatur, IL 62521	PHYSICIANS	431,028
Rehab Care Group Inc PO Box 502096 St Louis, MO 63150	Rehab Management	548,180
John C Kefalas MD SC 1770 E Lake Shore Drive Decatur, IL 62521	PHYSICIANS	490,205

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 ▶21

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	3,287,686				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			3,287,686			
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE REVENUE	900,099	126,707,304	126,707,304			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			126,707,304			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			1,415,791		1,415,791	
	4	Income from investment of tax-exempt bond proceeds . .			0			
	5	Royalties			0			
	6a	(i) Real		(ii) Personal				
		Gross Rents		1,346,563				
		b	Less rental expenses	2,167,630				
		c	Rental income or (loss)	-821,067				
	d	Net rental income or (loss)			-821,067		-821,067	
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory		142,100	3,500			
		b	Less cost or other basis and sales expenses		45,090			
		c	Gain or (loss)	142,100	-41,590			
	d	Net gain or (loss)			100,510		100,510	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
		a						
		b	Less direct expenses					
	c	Net income or (loss) from fundraising events . .			0			
	9a	Gross income from gaming activities See Part IV, line 19						
		a						
		b	Less direct expenses					
c	Net income or (loss) from gaming activities . .			0				
10a	Gross sales of inventory, less returns and allowances							
	a							
	b	Less cost of goods sold . . .						
c	Net income or (loss) from sales of inventory . .			0				
Miscellaneous Revenue		Business Code						
11a	CAFETERA/CAFE		722,210	590,320			590,320	
b	OUTSIDE LAUNDRY		812,300	52,408		52,408		
c	REFERENCE LAB		621,500	113,547		113,547		
d	All other revenue			2,136,323			2,136,323	
e	Total. Add lines 11a-11d			2,892,598				
12	Total revenue. See Instructions			133,582,822	126,707,304	165,955	3,421,877	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	420,634	0	420,634	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	41,890,690	37,295,773	4,594,917	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,582,622	1,582,622		
9	Other employee benefits	10,570,115	10,493,029	77,086	
10	Payroll taxes	3,050,128	3,050,128		
11	Fees for services (non-employees)				
a	Management	4,767,658	358,349	4,409,309	
b	Legal	466,754	13,923	452,831	
c	Accounting	197,644		197,644	
d	Lobbying	26,090		26,090	
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	16,552,128	13,921,663	2,630,465	
12	Advertising and promotion	1,070,216	76,775	993,441	
13	Office expenses	640,535	423,197	217,338	
14	Information technology	70,314		70,314	
15	Royalties	0			
16	Occupancy	1,918,204	1,688,111	230,093	
17	Travel	120,757	78,449	42,308	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	0			
21	Payments to affiliates	5,236,705	12,867	5,223,838	
22	Depreciation, depletion, and amortization	6,862,728	30,859	6,831,869	
23	Insurance	1,425,026	186,431	1,238,595	
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	SUPPLIES	17,073,247	17,061,944	11,303	
b	BAD DEBTS	16,927,495	16,927,495	0	
c	MEDICAID TAX ASSESSMENT	3,817,944		3,817,944	
d	OTHER	1,722,456	680,983	1,041,473	
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	136,410,090	103,882,598	32,527,492	0
26	Joint costs. Check here ☐ 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			285,988	1	285,989
	2	Savings and temporary cash investments			3,553,393	2	5,435,395
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			27,124,006	4	21,239,368
	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				7	
	8	Inventories for sale or use			2,489,706	8	2,867,210
	9	Prepaid expenses and deferred charges			1,666,695	9	935,278
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	167,832,699	57,518,193	10c	56,397,398
	b	Less accumulated depreciation	10b	111,435,301			
	11	Investments—publicly traded securities			55,224,371	11	60,035,556
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			874,260	15	1,988,478
	16	Total assets. Add lines 1 through 15 (must equal line 34)			148,736,612	16	149,184,672
Liabilities	17	Accounts payable and accrued expenses			15,825,048	17	19,128,795
	18	Grants payable				18	
	19	Deferred revenue			29,797	19	26,608
	20	Tax-exempt bond liabilities			30,286,267	20	29,633,909
	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			19,971,810	25	34,691,805
	26	Total liabilities. Add lines 17 through 25			66,112,922	26	83,481,117
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			73,152,690	27	53,104,217
	28	Temporarily restricted net assets			8,240,000	28	11,369,452
	29	Permanently restricted net assets			1,231,000	29	1,229,886
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			82,623,690	33	65,703,555
	34	Total liabilities and net assets/fund balances			148,736,612	34	149,184,672

Part XI Financial Statements and Reporting

	Yes	No
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? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c 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	
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 separated 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?	Yes	
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	

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 ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS	Employer identification number 37-0661244
--	--

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	

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

☐

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

Additional Data

Software ID:

Software Version:

EIN: 37-0661244

Name: ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS

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			
SR HELEN MARIE PLUMMER OSF BOARD MEMBER	1 0	X						0	0	0
SR MARYBETH CULNAN OSF BOARD MEMBER	1 0	X						0	0	0
KEVIN KAST CHIEF EXECUTIVE Officer	40 0	X		X				0	427,770	141,108
JOHN SKEFFINGTON SECRETARY	1 0	X		X				0	0	0
KEVIN BREHENY CHAIRPERSON	1 0	X		X				0	0	0
JOHN J WHITE BOARD MEMBER	1 0	X						0	0	0
JON ROBINSON VICE-CHAIRPERSON	1 0	X		X				0	0	0
MARK CHEVIRON BOARD MEMBER	1 0	X						0	0	0
PAT DAWSON BOARD MEMBER	1 0	X						0	0	0
Fr JOE MOLLOY BOARD MEMBER	1 0	X						0	0	0
BOB WIESEMANN BOARD MEMBER	1 0	X						0	0	0
THERESA J RUTHERFORD COO/CNO	40 0			X				185,661	0	47,335
ANN CARR TREASURER	1 0			X				0	153,448	117,382
ADAM CUMBO FORMER CFO	1 0			X				181,100	0	8,842
Becky Colker Chief Financial Officer	40 0			X				106,999	0	3,197
GORDON CHU MD NEUROSURGEON	40 0					X		589,801	0	39,932
NAEEMUDDIN JATOI MD PHYSICIAN	40 0					X		286,195	0	51,963
JOHN BRITT MD PHYSICIAN	40 0					X		624,586	0	17,246
Beth A McCoy CRNA	40 0					X		237,051	0	84,220
Roberta McBride CRNA	40 0					X		232,657	0	214,700

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

Open to Public
Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), 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 ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS	Employer identification number 37-0661244
--	--

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?		☐ Yes	☐ No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 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
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		62,090
	j Total lines 1c through 1i			62,090
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A

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
DESCRIPTION OF OTHER LOBBYING ACTIVITIES	SCHEDULE C, PART II B, QUESTION 11	ST MARY'S HOSPITAL ("THE HOSPITAL") IS A MEMBER OF THE CATHOLIC HEALTH ASSOCIATION (CHA), THE ILLINOIS HEALTH ASSOCIATION (IHA), THE NATIONAL ASSOCIATION FOR HOME CARE AND HOSPICE, AND THE AMERICAN HEALTH ASSOCIATION (AHA) AS A MEMBER OF THESE ORGANIZATIONS, THE HOSPITAL PAYS DUES. A PART OF THESE DUES IS ATTRIBUTABLE TO LOBBYING FEES PAID BY THE ORGANIZATIONS. OF THE AMOUNT LISTED ABOVE, \$26,090 IS THE AMOUNT ATTRIBUTABLE TO THE HOSPITAL FROM ITS DUES PAID. The Hospital also engaged the services of Curry & Associates, LLC ("Curry") and Bolen, Robinson, & Ellis, LLP ("Bolen") to perform lobbying activities on its behalf. The hospital paid a \$3,000 monthly retainer fee to Bolen. Bolen would then pay this to Curry for lobbying services. Of the amount listed above, \$36,000 is attributable to these services.

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 ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS	Employer identification number 37-0661244
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or 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 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
2a	
2b	
2c	
2d	

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, 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▶ \$ _____

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

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
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		3,295,160		3,295,160
b Buildings	28,775,635	49,110,856	47,195,639	30,690,852
c Leasehold improvements				
d Equipment	13,970,420	67,292,978	61,479,277	19,784,121
e Other	150,012	5,237,638	2,760,385	2,627,265
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				56,397,398

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part 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
ASC SUBTOPIC 740-10		On July 1, 2007, the Obligated Group adopted ASC Subtopic 740-10, Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109. ASC Subtopic 740-10 addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under ASC Subtopic 740-10, the Obligated Group must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest and penalties on income taxes, and accounting in interim periods and requires increased disclosures. As of June 30, 2010 and 2009, the Obligated Group does not have a liability for unrecognized tax benefits.

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
ST MARY'S HOSPITAL SISTERS OF THE THIRD
ORDER OF ST FRANCIS

Employer identification number
37-0661244

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 ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☒ 150% ☐ 200% ☐ Other _____ b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Does the organization's policy provide free or discounted care to the "medically indigent"?	3a	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	Yes	
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		No
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)	1	2,357	1,652,631		1,652,631	1 380 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	1	1	10,628,575		10,628,575	8 900 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)	1	3,322	519,358	412,028	107,330	0 090 %
d Total Charity Care and Means-Tested Government Programs	3	5,680	12,800,564	412,028	12,388,536	10 370 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	445	14,891	499,335	1,857	497,478	0 420 %
f Health professions education (from Worksheet 5)	4	2,125	276,660	13,863	262,797	0 220 %
g Subsidized health services (from Worksheet 6)	5	36,532	85,215,371	82,305,714	2,909,657	2 500 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	5	21,724	1,474,387	1,134,119	340,268	0 300 %
j Total Other Benefits	459	75,272	87,465,753	83,455,553	4,010,200	3 440 %
k Total. Add lines 7d and 7j	462	80,952	100,266,317	83,867,581	16,398,736	13 810 %

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						
3Community support	1	1,486	94,992	33,579	61,413	0.050 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total	1	1,486	94,992	33,579	61,413	0.050 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A.Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2Enter the amount of the organization's bad debt expense (at cost)	26,652,506		
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	342,033		
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)	530,384,520		
6Enter Medicare allowable costs of care relating to payments on line 5	651,690,260		
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7-21,305,740		
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: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other			
9aDoes the organization have a written debt collection policy?	9aYes		
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.	9bYes		

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				

[illegible]

Part VI

Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves

See additional data

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

See additional data

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

See additional data

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

The Lake Shore Connection program is focused on individuals age 55 and over Participants in the program can obtain courtesy transportation to and from health related appointments The organization offers participants free quarterly health screenings, discounts on monthly lunch and learn programs, and other resources to assist participants in staying productive, healthy, and independent well into the future We touched the lives of 1,496 participating senior citizens through this community program

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

See additional data

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

See additional data

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

IL

Additional Data

Software ID:
Software Version:
EIN: 37-0661244
Name: ST MARY'S HOSPITAL SISTERS OF THE THIRD
ORDER OF ST FRANCIS

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Not applicable as the organization does follow Federal Poverty Guidelines to determine eligibility for providing charity and discounted care to low-income uninsured and underinsured individuals

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

THE ORGANIZATION SUBMITS AN ANNUAL COMMUNITY BENEFIT REPORT WITH THE STATE OF ILLINOIS' ATTORNEY
GENERAL'S OFFICE IN ADDITION, EVERY THREE YEARS, THE ORGANIZATION PARTICIPATES WITH OTHER ORGANIZATIONS
IN THE COMMUNITY TO ASSESS COMMUNITY NEEDS STARTING FISCAL YEAR ENDING 6/30/2011, A MORE DETAILED
COMMUNITY BENEFIT REPORT WILL BE COMPLETED ON AN ANNUAL BASIS

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Costing methodology for amounts reported in table The common method for estimating the true economic cost of medical services is to adjust the charges through the use of cost-to-charge ratios Cost-to-charge ratios convert charges for medical services to their true economic costs Applying cost-to-charge ratios to medical service charges produces average estimates of true costs The Cost/Charge Ratio represents total hospital operating costs divided by total gross billed charges The exception to the costing methodology described in the preceding paragraph is for the amount for subsidized services on line 7g, for which a costing information system was utilized More accurate allocations of direct costs are available through the use of that system, and were applied for the subsidized health services a For FY2010, total charity care cost was \$4,208,789 as reported on the income statement The net community benefit cost, after applying the cost-to-charge ratio of 39.3%, was \$1,652,631 b For FY2010, unpaid cost of Medicaid was \$23,202,799 The net community benefit cost, after applying the cost-to-charge ratio of 39.3%, was \$9,110,857 Actual cost is the net of revenue (charges) minus expenses Actual cost can be traced directly to (or identified with) a specific cost center or cost object such as a department, process, or product The following other benefits are calculated using actual costs from the income statement c For FY2010, unreimbursed cost from other means tested government programs realized revenue of \$412,028 and expenses of \$519,358 The net community benefit expense was \$107,330 d Total of lines 7a through 7c e For FY2010, community health improvement services and benefit operations realized revenue of \$1,857 and expenses of \$499,335 The net community benefit expense was \$497,478 f For FY2010, health professions education realized revenues of \$13,863 and expenses of \$276,660 The net community benefit expense was \$262,797 i For FY2010, cash and in-kind contributions realized revenues of \$875,786 and expenses of \$1,184,075 The net community benefit expense was \$308,289 Actual cash contributions of \$169,877 are included and consist of charitable contributions made to organizations in the community j Total of lines 7e through 7i k Total of lines 7d and 7j k Total of lines 7d and 7j

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The organization provides numerous clinical services despite the fact those services yield a net financial loss to the organization
Subsidized health services provided by the organization include the service lines of emergency services, obstetrics/nursery, observation,
and behavioral health

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The percent of charity care and certain other benefits at cost as a percent of total expenses less bad debt is 13.5 %

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The footnote text related to bad debt expense from the audited financial statements reads as follows "The Obligated Group also provides a significant amount of uncompensated care for patients, which is not included above, but is reported in the consolidated statements of operations as a provision for uncollectible accounts. Many of those patients are uninsured or underinsured, but did not apply for, or qualify for, charity care." Please note that reference is made to the "Obligated Group", of which this organization is a member. The organization strongly believes that its charity care, and the related community benefit obtained from such care, is understated because of those patients that potentially qualify for charity care but do not wish to apply for it. In addition, some care is not classified as charity due to missing documentation on patient resources. Thus, the organization's bad debt includes a portion that could be classified as charity care if application for such care was sought and/or completed. The organization is in the process of implementing processes, procedures, and systems to more effectively determine charity care that will reduce a patient's documentation requirements when applying for charity care. This will provide a more accurate reporting of charity care services provided by the organization. Actual bad debt expense was \$16,927,495 as reported on the income statement. After applying the cost-to-charge ratio of 39.3%, the total cost of bad debt was \$6,652,506. The amount of bad debt expense attributable to patients eligible under the organization's charity care policy was \$106,954. After applying the cost-to-charge ratio of 39.3%, the total cost of bad debt was \$42,033. Bad debt costs attributable to charity represents the bad debt cost of services provided to charity care patients that were identified initially as eligible for charity care. A system report was created on patient accounts written off to bad debt and a second report was created that showed accounts with charity adjustments during fiscal year ended June 30, 2010. Identical patient accounts from each type of report were identified in order to determine which "charity" accounts were finally written off to bad debts at some point thereafter. The organization's cost to charge ratio was applied to the bad debt amounts identified to arrive at an estimated bad debt cost.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The organization continually strives to provide excellent patient care in the most cost effective fashion. Nonetheless, the Medicare program, in many cases, does not provide payment that covers the full cost of the care provided. Since it is the mission of the organization to respond to community need, the organization's management continually advocates for improved Medicare payment so that the cost of quality care to those patients that are not able to afford it is not compromised and is fairly subsidized by all payers. While this shortfall in Medicare payments is not classified as community benefit by the IRS, we nonetheless believe it is an important contribution made by the organization to the health and well being of the community. Our mission calls us to serve all patients with the highest possible quality and efficiency, even if we are not paid fully for doing so. The organization serves thousands of persons covered by Medicare. Like Medicaid, Medicare funding does not cover the actual cost of delivering hospital services to people enrolled in the program. In the fiscal year ended June 30, 2010, the organization had to make up the \$21.3 million difference between what Medicare paid and the actual cost of services to Medicare beneficiaries.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The organization has a policy on account resolution that outlines the procedures to be followed in collecting balances on outstanding patient bills. Besides addressing the procedures and follow-up for accounts covered by insurance or governmental programs, the policy discusses situations where the patient may be eligible for financial assistance through our charity care program. If a patient is deemed eligible, reference is made to the organization's charity care policy. Even with the best intentions, patients cannot always meet their responsibility to pay for the care they receive. For a number of reasons, from the loss of a job to temporary hardships, this leaves the organization to cover the unpaid balance or even the entire bill, an expense for the organization referred to as "bad debt." In the fiscal year ended June 30, 2010, bad debt expense was almost \$17 million with no outside source of funding to help compensate for the expense. The cost, after applying the cost to charge ratio, was \$6.6 million. This is a growing problem. Bad debt accounted for 5% of our total costs in the fiscal year ended June 30, 2010 and constituted a significant contribution to the community.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

The organization does not have any healthcare facilities that are not registered as a healthcare facility under State law

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

An integral part of the mission of St Mary's Hospital is the commitment to meet the health care needs of all in the community, regardless of ability to pay. The organization's service to the community would not be possible without the shared leadership and active engagement of our community partners. Together, we assess the health care needs of the community, identify health priorities, and work to create viable solutions to fulfill the growing health-related needs and challenges in our community. In the past, the organization collaborated with United Way, other non-profit organizations, and local community groups in the community in conducting a community health needs assessment survey, which was conducted every four years. The results were evaluated for unmet and underserved healthcare needs and utilized for determining whether programs should be added, expanded, or in some cases, scaled back so resources can be allocated to areas of greater need. The assessment helped us develop strategies for improving community health. Currently, the organization is participating in a community needs assessment in partnership with Macon County Health Department. The assessment began in calendar year 2010, and the list of needs is being evaluated and prioritized as of the filing date of this return. The organization is one of thirteen hospitals under a parent organization, Hospital Sisters Health System, Inc. The parent organization has formed a team that is currently developing suggested guidelines for each hospital's local needs assessment for implementation during the year ended June 30, 2012. In the meantime, our organization is continuing to participate with other community organizations through the Macon County Health Department efforts. Three Advisory Councils assist the organization in identifying community health care needs and organizations for involvement. These councils are comprised of members of the community representing area businesses, clergy, education, and non-profit organizations, as well as patients. The focus of these groups is two-way communication between the hospital and the community. The St Mary's Hospital Advisory Council advises the hospital on a wide range of strategies, including unmet needs in the community. The Oncology Advisory Council advises St Mary's specifically about cancer-related needs and services, and is comprised entirely of cancer survivors. The Rehabilitation Advisory Council likewise advises specifically about rehabilitative-related needs and services. Additional efforts to engage and seek input from the community include the formation of a Strategic Planning Committee during the year ended June 30, 2010. Community leaders were selected and invited to participate as a member of this committee, along with representatives from the organization's management team, Board of Directors, and medical staff. This committee developed a five year strategic plan for the organization. Involvement from the community leaders insured the community has a voice in the healthcare services being offered and also those identified as needs for enhancement or development. One of the activities reviewed by the committee in establishing plans was a community survey regarding healthcare in our service area. This committee will remain intact and meets on a regular basis to review progress and adjust plans as necessary to meet the needs of our community. Input is obtained from the patients we serve through patient satisfaction surveys. Input provided through some of these surveys was taken into consideration in the development of the hospital's master facility plan, which has resulted in a current major Emergency Room capital project. The hospital Board of Directors is community-based and maintains a good pulse on the community we serve. They provide valuable input on an ongoing basis on the community's healthcare needs. The System (parent organization) revised the process for selecting the hospital Board of Directors from a System-dominated board to a community-focused board in 2008.

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

The Registration Department provides brochures to patients upon registration regarding the payment assistance programs available to them at St Mary's Hospital. The brochures are also supplied in waiting and ancillary areas for easy access by the patient. Contact numbers for several agencies are listed in the brochure, as well as information about how to read and understand the bill. The organization has a representative on site to assist patients who may be eligible for Medicaid assistance through the Illinois Department of Public Aid. They work with patients to determine if they may be eligible, and if so, assist in pulling together the necessary application for submission. Patients are also provided a Fair Billing Act Notification at the point of registration regarding separate physician billing they can expect to receive, plus information about the patient's financial responsibility if their insurance plan is out of network. The organization's website provides information to patients and their families about the hospital's billing practices. The charity application is available online, as well as contact information for various government programs and hospital contacts. One-on-one conversations to educate patients about financial assistance often stem from patients receiving a statement or a pre-collection letter. At that point, the customer service representative or cashier, or other qualified staff, will inform/educate the caller about financial assistance options. The first pre-collection letter reminds the patient their account is in delinquent status. It also informs them they may be eligible for financial assistance through the organization's Charity Care program. The letter provides direct contact information to begin the application process for Charity Care.

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

The organization's primary service area is Macon County, Illinois, with surrounding counties comprising much of the secondary and tertiary service area. The population of Macon County in 2009 was estimated at 108,000, which represented a decrease of 5.7% since 2000. The median household income, as reported in 2008, was \$45,664. The poverty rate for the same period was 13.5%. Primary, secondary and tertiary service area demographic information is used to identify ages and incomes of each segment. The only growing population in each service area is age 64+. The aging population will have an impact on the development of future services at the organization. The racial makeup of the county in 2009 was 82% White, 15% African American, with other races comprising the remaining 3%. Macon County has experienced high unemployment rates the past few years, but improvement was reported by the end of calendar year 2010. The unemployment rate (not seasonally adjusted) as of December 2010 was 10.4%, down from a rate of 12.6% in December 2009. Macon County has 580 square miles in land area and a population density of 186.6 per square mile. The town of Decatur, which is where St Mary's Hospital is located, is the county seat and also the largest city in Macon County. In 2008 manufacturing was the largest of twenty major sectors, representing 22.6% of all jobs in the county. Health care and social assistance comprised the next largest sector, representing 13.8%.

Form 990 Schedule H, Part VI - Supplemental Information, Line 6
Form 990 Schedule H, Part VI - Supplemental Information, Line 6

St Mary's Hospital offers hope to our community in the tradition of the Hospital Sisters of St Francis. As a healing ministry of the Catholic Church and an affiliate of the Hospital Sisters Health System (HSHS), St Mary's is committed to delivering high quality, compassionate, and cost-effective health care services to all. The hospital was founded over 130 years ago to bring a healing presence and improve the health of our community, especially for people who are sick, poor, and disadvantaged. St Mary's hospital remains committed to serving the health care needs of the community, regardless of ability to pay. Because of the hospital's purpose and tradition, it is organized to promote the health of Decatur and surrounding areas. The hospital is governed by a Board of Directors, the majority of which is comprised of persons who reside in the organization's primary service area and who are neither employees nor contractors of the hospital (nor family members thereof). The Board ensures that St Mary's is responding to community need as described under #2 above. As a not-for-profit hospital, St Mary's reinvests surplus funds into the mission of the organization and health of the community rather than distributing them as profits to shareholders or individuals. Funds not committed to ongoing operations are generally used to upgrade facilities, secure new technologies, improve patient care, train clinicians, and support initiatives designed to promote health for all. For example, St Mary's is working with its parent organization, Hospital Sisters Health System, to continuously enhance quality and improve coordination of care both inside the hospital and with a growing number of physician partners. Supported by investments in information technology, this "care integration" strategy is designed to better coordinate care, improve health outcomes, create new efficiencies, and help ensure that patients (especially those with chronic conditions) get well and stay well. St Mary's devotes significant resources to access for patients who can not afford care, along with other community benefits. In the fiscal year ended June 30, 2010, the organization provided \$16.4 million in Community Benefit services, including charity care at cost, unpaid costs of Medicaid and other public programs, and a range of diverse programs designed to enhance access and improve community health. Additionally, during this period, the organization provided \$6.4 million (at cost) in uncompensated care to patients that did not qualify for charity care or public assistance and \$21.3 million (at cost) in excess of Medicare payment for health care services. The range of benefits provided by St Mary's Hospital flows from our mission and long-standing commitment to our community. In many cases, these programs would be unlikely to exist without the leadership role played by St Mary's Hospital, and they often relieve a burden that would otherwise be carried by government. Some of the notable examples of how the organization contributes to the wellness, prevention, and improving the health of the community include:

- a) The Prenatal Clinic. The prenatal clinic serves uninsured and underinsured mothers. It provides both prenatal and postnatal care. Each year, the clinic cares for approximately 250 women and babies, with an estimated 3,500 visits. The clinic is unique in that each woman has her own physician, ensuring comprehensive and consistent prenatal care. In addition, community resources are invited to participate in the clinic, giving patients full exposure to options available to them.
- b) Power to End Stroke. St Mary's partners with the American Heart Association's Power to End Stroke program. This program raises awareness in the African-American community about the risk factors and prevalence of stroke. Community awareness events are held as part of this program.
- c) Adult Day Care. The organization operates an adult day care program for adults unable to totally care for themselves and who do not have home assistance during the day.
- d) Collaborative Post-Acute Care Initiative. The organization formed a community collaborative with post-acute care providers during the fiscal year ended June 30, 2010 to address the needs of patients needing care after their acute hospital stay. Participants include assisted living facilities, critical access hospitals, supported living facilities, and nursing homes. This initiative will continue to develop into the upcoming year.
- e) Educational Support. Employees often serve as speakers at schools in our service areas, community events, etc. St Mary's and its staff support the programs of Project Success in working to help children succeed in school by collaborating with local agencies, schools and other businesses in the community (example is the school supply distribution program). Staff members provide training to the local paramedics, first responder groups, and fire departments. Additionally, area organizations

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

ations receive CPR training through the hospital's EMS Department f) AthletiCare Program The organization provides athletic training services to the surrounding community athlete s This includes recreational athletes participating in community events, such as the Rodney T. Miller Lakeside Triathlon and the Shoreline Classic 5k/15k race The hospital provides athletic training services to various area junior and senior high schools for injury management and prevention of selected athletic programs Athletic trainers employed by the hospital serve as experts on physical exercise for the community and provide informational presentations several times a year They also provide instruction for new athletes to begin training in a safe and successful manner with the Decatur Tri-Gators, a local USAT triathlon club g) Lake Shore Connection This is a program focused on individuals age 55 and over Participants in the program can obtain courtesy transportation to and from health related appointments, free quarterly health screenings, discounts on monthly lunch and learn programs, and other resources to assist participants in staying productive, healthy, and independent well into the future h) Ambassadors for Christ Ministries/Stop the Violence Outreach Health Fairs These outreach health fairs bring much needed education, testing and care to the high risk inner-city community population The goal is that awareness, prevention and care for those who are at risk will provide the necessary treatment and ultimately save lives Ambassadors for Christ Ministries is collaborating with organizations, including St Mary's, to provide a team of health care providers, social service agencies and private individuals to address health issues such as HIV, AIDS, breast cancer, prostate cancer, high blood pressure, diabetes, heart disease, and high cholesterol i) Items Donated The organization routinely donates food to local food pantries Other donations to nonprofit causes include equipment and medical supplies Additionally, our staff contributes their time in volunteering to assist these organizations in their valuable community efforts j) Community Health Fairs St Mary's maintains partnerships with many organizations in the community to promote health and wellness The hospital participates in numerous community health fairs, including 35 community health screenings held during the fiscal year ending June 30, 2010 In addition to the health fairs, the organization collaborates with members of the medical staff to provide sessions on important health education topics to members of the community Sessions conducted during the year ended June 30, 2010 included several topics, such as shoulder pain, orthopedic injuries, prostate screenings, reconstructive surgery, electrophysiology, healthy eating and cooking, and stroke The organization's support groups offer patients and their families, and members of the community the opportunity to learn more about their health and have their voices heard A number of benefits are associated with participating in programs offered For example, participating in support groups can decrease psychological distress and elevate a participant's mood Participants can exchange information and experience emotional connections through their interaction and participation Employees, volunteers, Board members and medical staff participate in charitable activities in the community that reflect the hospital's commitment to the underserved They contribute both financial support and their time to worthy non-profit health-related organizations in the community, including the American Heart Association, American Cancer Society, American Red Cross, Easter Seals, and the Diabetes Association They participate with organizations such as United Way to assist in worthwhile community needs Time and expertise is also provided to various organizations by serving on their Boards or related committees - examples include the organ

Form 990 Schedule H, Part VI - Supplemental Information, Line 7
Form 990 Schedule H, Part VI - Supplemental Information, Line 7

St Mary's Hospital is an affiliate of Hospital Sisters Health System. The foundational mission principles of Hospital Sisters Health System (HSHS) embody the belief that every life is a sacred gift and every human being is a unity of body, mind and spirit. Our health care ministry calls on us to foster healing, serve with compassion, and promote wellness for all persons, with special attention to our neighbors who are sick, poor, underserved, and most vulnerable. These principles have made it possible for HSHS to provide high quality, cost-effective and compassionate health care for millions of people in Illinois and Wisconsin. Our health care ministry consists of 13 hospitals and numerous physician partners committed to continuing the healing ministry of Jesus Christ. Beyond functioning as a primary source for health care in the 12 primary communities we serve, HSHS also provides a wide array of Community Benefits that expand residents' access to health care, enhance their overall health status, and further medical education. In the Fiscal Year that ended June 30, 2010, HSHS hospitals provided \$152.2 million in Community Benefits (or 8.5% of total expenses), an increase of \$28 million from FY 2009. Of this amount, \$32.3 million was provided for charity care and \$89.2 million was the amount of unreimbursed care provided under the Medicaid program. In addition, HSHS hospitals provided \$159.3 million in health care services primarily to the elderly beneficiaries of the Medicare program in excess of governmental and managed care contract payments. HSHS hospitals also recorded \$95 million in uncollectible accounts. HSHS is committed to sustaining and strengthening the health of our communities by continually reinvesting any surplus revenue from operations and investments into new medical technology, facility infrastructure and health care services. These ongoing enhancements ensure that our hospitals can continue to provide high quality, compassionate care to our patients. During Fiscal Year 2010, HSHS continued to pursue a Care Integration strategy designed to continuously enhance quality and improve coordination of care both inside the hospital and with a growing number of physician partners. Supported by the system investments in information technology, this strategy is designed to better coordinate care, improve health outcomes, create new efficiencies, and help ensure that patients (especially those with chronic conditions) get well and stay well. The Care Integration strategy includes, among other efforts, three "Medical Home" pilot projects, the coordination of care for cardiac patients living in rural communities through the use of telemedicine, and development of a "clinical integration network" that will help independent physicians improve quality and the patient experience by benchmarking their care against best practices. HSHS also placed a special emphasis on investing in interoperable health information technologies and robust health information exchanges. We recognize that our investments in information technology will have a positive impact on the quality, safety and efficiency of health care. These investments also ensure that the patient is at the center of a high quality, highly integrated, compassionate health care delivery system. Expanding access to health care. At the heart of our health care ministry is the commitment to care for every patient who seeks our help. Because not all patients have health insurance, HSHS hospitals have generous Charity Care program guidelines that cover 100% of hospital charges for individuals and families whose earnings are at or below 150% of the federal poverty level and 50% of hospital charges for individuals and families whose earnings are at or below 250% of the federal poverty level. Under these guidelines a family of four without health insurance that has an annual household income of \$33,075 or less is eligible for a 100% discount on their hospital bill, and a family of four without health insurance that has an annual household income of \$55,125 or less is eligible for a 50% discount on their hospital bill. HSHS Charity Care programs have a sliding scale, in some instances providing up to a 60% discount on charges for those earning up to 600% of the federal poverty level. Hospitals have created a simple two page form for those wishing to apply for Charity Care and assign counselors to visit with inpatients who are uninsured to let them know about our charity care policies and provide assistance filling out applications for financial assistance or enrollment in publicly funded health care programs. The gratitude of the people who have benefited from our Charity Care program (sometimes referred to as Christian Care) is reflected in some of the thank you letters sent to St. Anthony's Memorial Hospital in Effingham, IL. Comments included: "When I opened your letter today and read that you gave me a 100% Christian Care adjustment, I gasped and started cry

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

ing I am so grateful I count this as an unexpected miracle from God working through people willing to show his love to others " - D K The King will reply, "I tell you the truth, whatever you did for one of the least of these brothers of mine, you did for me " - Matthew 25:40 "We just want to take a moment to express our deepest gratitude! Your generosity has eased our minds, hearts & pocket book!! Thank you, Thank you, Thank you! God Bless You All! I pray someday I will be able to help someone in such a generous way! You have no idea what a relief this is for us! Thank You seems too simple of words!" - S L and C S "I want to say at all those who have made it possible to help us pay my hospital bills - Thank You! I don't have words to thank you for all the worry that you have taken away A thousand "thanks " May God bless you " - L B (translated by N R and W R) "My husband K and I would like to express our deepest gratitude for your assistance with his medical bill from the hospital We cannot thank you enough for the help and how this eased a financial burden that we faced Keeping this gift in mind, we will strive to help others who are in need in whatever way we can to 'Pay it forward ' Thank you and bless you all!" - K S and L S Our Charity Care programs are only one aspect of our commitment to increasing access to health care services in Illinois and Wisconsin In many of our communities, HSHS collaborates with Federally Qualified Health Centers (FQHCs) to provide greater access to health care services for low-income residents For example, St Elizabeth's Hospital in Belleville, IL hosts a FQHC primary care clinic adjacent to its Emergency Department and St John's Hospital in Springfield, IL coordinates specialty physician referrals with the local FQHC and provides free health care to its clients HSHS hospitals work collaboratively in their communities to support the various social services that together make up the fabric of the health care safety net Sacred Heart Hospital in Eau Claire, WI provides leadership, staff support and laboratory and radiology services for the Chippewa Valley Free Clinic During FY2010 Sacred Heart's Lab performed 676 tests for patients from the clinic St Mary's Hospital Medical Center in Green Bay, WI supports a Women's Place, which provides health care services and referrals for men and women in the Latino community "Because of language barriers, erratic work schedules and the lack of insurance and transportation, many in the Latino community aren't able to access our health system," explains Program Director Carol Ponce "I feel it is important to overcome those barriers and build bridges for people in the Latino community to access health care and other services that contribute to their well-being Our programs not only bring health care to the Latino community but joy and connection to other people from Mexico, Honduras, Nicaragua, Peru and Puerto Rico " In rural Illinois, Prairie Heart Institute of Illinois (PHII), a physician group affiliated with HSHS, is bringing a higher level of cardiovascular care to patients in their communities through extensive collaboration with local hospitals and physicians Through regularly scheduled clinics and sharing of protocols and best practices, rural hospitals across central and southern Illinois can more rapidly and accurately identify heart attack patients and speed treatment to minimize damage to the heart muscle Meanwhile, access to clinical trials provides opportunities for patients in rural areas to have access to drugs and treatments available only through PHII "The result of this unique commitment is that regardless of where a patient lives, they will have access to care designed to detect heart disease earlier We can also offer previously unavailable life-saving techniques and drugs and ensure a return to a quality of life," explains Jim Zito, PHII CEO The benefits of this type of collaboration are many, including the st

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

ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS

Employer identification number

37-0661244

Part I

Questions Regarding Compensation

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

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				
KEVIN KAST	(i)	0	0	0	0	21,420	21,420	0
	(ii)	352,197	53,393	22,180	100,813	18,875	547,458	40,681
THERESA J RUTHERFORD	(i)	184,928	0	733	30,247	17,818	233,726	0
	(ii)	0	0	0	0	0	0	0
ANN CARR	(i)	0	0	0	0	0	0	0
	(ii)	131,424	0	22,024	104,209	13,649	271,306	0
GORDON CHU MD	(i)	556,207	33,000	594	17,406	23,307	630,514	0
	(ii)	0	0	0	0	0	0	0
NAEEMUDDIN JATOI MD	(i)	270,841	14,700	654	29,937	22,807	338,939	0
	(ii)	0	0	0	0	0	0	0
JOHN BRITT MD	(i)	574,451	50,000	135	0	17,877	642,463	0
	(ii)	0	0	0	0	0	0	0
ADAM CUMBO	(i)	131,128	0	49,972	-13,149	22,443	190,394	0
	(ii)	0	0	0	0	0	0	0
Beth A McCoy	(i)	231,239	5,284	528	58,749	29,345	325,145	0
	(ii)	0	0	0	0	0	0	0
Roberta McBride	(i)	226,391	5,284	982	197,359	18,095	448,111	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
SEVERANCE PAYMENTS	SCHEDULE J, PART I, LINE 4A	ADAM CUMBO RECEIVED \$49,670 OF SEVERANCE FOR THE 2009 TAX YEAR
Deceased Board Member	Schedule J, Part III	John J. White, who was a board member during fiscal year 2009, has since passed away in January 2010.

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS	Employer identification number 37-0661244
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Surgical Specialists										
of Central										
Illinois SC	X		362,509	293,014	Yes			No	Yes	
Total \$ 293,014										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Bolen Robinson Ellis	Board Member	345,680	legal services		No
Surgical Specialist of Decatur	Board Member	402,265	leases office space		No
JL HUBBARD INSURANCE AND BONDS	BOARD MEMBER	12,903	PURCHASED BONDS		No

Software ID:
Software Version:
EIN: 37-0661244
Name: ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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
ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS

Employer identification number
37-0661244

Identifier	Return Reference	Explanation
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PAGE 3 PART III	FORM 990 - GENERAL EXPLANATION ATTACHMENT STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS FORM 990, PAGE 3 PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS ST MARY'S HOSPITAL PROVIDES QUALITY MEDICAL HEALTHCARE REGARDLESS OF RACE, CREED, SEX NATIONAL ORIGIN, HANDICAP, AGE, OR ABILITY TO PAY ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND STABILITY OF ST MARY'S HOSPITAL, IT IS RECONGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PURCHASE NECESSARY MEDICAL SERVICES INHERENT TO OUR MISSION, WE PROVIDE CARE TO THE POOR, THE ELDERLY, AND THE NEEDY OF THE COMMUNITY THROUGH VARIOUS PROGRAMS AND SERVICES THESE ACTIVITIES INCLUDE COMMUNITY EDUCATION PROGRAMS, WELLNESS PROGRAMS, AND SPECIAL PROGRAMS FOR THE ELDERLY, HANDICAPPED, MEDICALLY UNDERSERVED, AND A VARIETY OF BROAD COMMUNITY SUPPORT ACTIVITIES DURING FICAL YEAR 2010, ST MARY'S HOSPITAL PROVIDED 37,100 ADULT AND PEDIATRIC DAYS OF CARE AND 137,175 OUTPATIENT VISITS DURING THE SAME TIME PERIOD ST MARY'S HOSPITAL PROVIDES BOTH BENEFITS TO THE POOR AND TO THE BROADER COMMUNITY BENEFITS TO THE POOR ARE PROVIDED ON THE FORM OF TRADITIONAL CHARITY CARE FOR THOSE WHO CANNOT AFFORD TO PAY, UNPAID COSTS FO PUBLIC PROGRAMS SUCH AS MEDICAID AND GENERAL RELIEF, NONBILLED SERVICES FOR THE POOR AND MANY IN-KIND DONATIONS THE TOTAL VALUES OF THESE UNREIMBURSED BENEFITS FOR THE POOR WERE \$12,388,536 IN FISCAL YEAR 2010 ST MARY'S HOSPITAL PROVIDES NUMEROUS BENEFITS TO THE BROADER COMMUNITY THIS IS CARRIED OUT THROUGH OUR PARTICIPATION IN THE MEDICARE PROGRAM, PROVIDING MANY PROGRAMS AND SERVICES FREE OR AT A REDUCED PRICE, AND PROVIDING SERVICES THAT BENEFIT THE COMMUNITY BUT HAVE A NEGATIVE MARGIN TOTALED \$17,953,697 DURING FISCAL YEAR 2010 ALL OTHER NONBILLED SERVICES PROVIDED TO THE COMMUNITY AND SERVICES PROVIDED AT LOW OR NEGATIVE MARGINS TOTALED \$898,687 FOR THE YEAR ENDED 6/30/2010 BELOW ARE SPECIFIC EXAMPLES OF SERVICES INCLUDED IN THE ABOVE FIGURES THROUGH THE OPERATION OF ITS PRENATAL CLINIC, THE HOSPITAL PROVIDES BOTH PRE AND POST NATAL CARE TO THE POOR THE HOSPITAL ROUTINELY DONATES FOOD TO LOCAL FOOD PANTRIES OBSOLETE EQUIPMENT IS ALSO OCCASIONALLY DONATED TO LOCAL AGENCIES PROVIDE TRAINING TO THE LOCAL PARAMEDICS, FIRST RESPONDER GROUPS, AND FIRE DEPARTMENTS IN ADDITIONA, AREA ORGANIZATIONS RECEIVE CPR TRAINING THROUGHT THE HOSPITAL'S EMS DEPARTMENT FORM 990 - GENERAL EXPLANATION ATTACHMENT HOSPITAL PARTICIPATES IN THE SECONDARY TRANSITIONAL EXPERIENCE PROGRAM BY PROVIDING EMPLOYMENT OPPORTUNITIES TO HANDICAPPED STUDENTS PASTORAL CARE AND SOCIAL SERVICE DEPARTMENTS PROVIDE ASSISTANCE FOR PATIENT AND FAMILY NEEDS PROVIDED LIFELINE VOICE COMMUNICATORS TO ELDERLY PATIENTS WITH SPECIAL NEEDS EMPLOYEES SERVE AS SPEAKERS AT HEALTH FAIRS, SCHOOLS, AND A VARIETY OF AREA ORGANIZATIONS ASSIST THE UNTIED WAY CAMPAIGN BY HAVING STAFF MEMBERS ORGANIZE THE HSOPITAL'S ANNUAL FUND DRIVE PROVIDE A VARIETY OF HEALTH SCREENINGS TO THE PUBLIC IN DIFFERENT LOCATIONS THROUGHOUT THE COMMUNITY TAX EXEMPT BONDS FORM 990, PART IV, QUESTION 24 St Mary's Decatur HOLDS A LIABILITY ON ITS BOOKS FOR TAX-EXEMPT BONDS, WHICH IS AN ALLOCATION FROM ITS SOLE CORPORATE MEMBER, HOSPITAL SISTERS SERVICES, INC AS A RESULT, THIS QUESTION WAS ANSWERED NO, AND SCHEDULE K WILL BE COMPLETED ON THE HOSPITAL SISTERS SERVICES, INC FORM 990

Identifier	Return Reference	Explanation
RIGHTS OF MEMBERS TO ELECT GOVERNING BODY	FORM 990, PART VI, LINES 6 & 7A	THE SENIOR GOVERNING BODY OF ST MARY'S HOSPITAL DECATUR (THE "CORPORATION") IS THE MEMBER OF THE CORPORATION, WHICH IS HOSPITAL SISTERS HEALTH SERVICES, INC ("HSSI"), AN ILLINOIS NOT FOR PROFIT CORPORATION EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE PURSUANT TO SECTION 2 3 OF THE CORPORATION'S BYLAWS, HSSI HAS THE RIGHT TO APPOINT AND REMOVE THE CORPORATION'S BOARD OF DIRECTORS, CHAIRPERSON OF THE BOARD AND PRESIDENT

Identifier	Return Reference	Explanation
MEMBER RESERVED POWERS	FORM 990, PART VI, LINE 7B	Responsibility for the policy and operations of St Mary's Hospital Decatur (the "Corporation") is vested in its Board of Directors, except wth respect to specific powers reserved in the Corporation's Bylaws to the Corporation's Member, Hospital Sisters Health Services, Inc ("HSSI"), an Illinois not for profit corporation exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code The member of HSSI is Hospital Sisters Health System ("HSHS"), an Illinois not for profit corporation exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code The members of HSHS are the individual sisters who from time to time are the duly elected Provincial Superior and Provincial Councilors, respectively of the American Province of the Hospital Sisters of St Francis ("American Province") The American Province is the United States organization of the Congregation of the Hospital Sisters of the Third Order Regular of St Francis, a religious institute of the Roman Catholic Church The governance and operations of the Corporation are subject to HSSI's right to exercise these reserved powers with respect to the Corporation and organizations of which the Corporation is either, directly or indirectly, a controlling member or a controlling shareholder ("Affiliates") HSSI's right to exercise certain of these reserved powers is, in turn, subject to the approval of HSHS and HSHS' members The reserved powers include all rights granted to HSSI by law and the right to (a) Adopt, approve amendments to, or amend any statement of philosophy, mission, mission integration or values or any name, logo, or mark of the Corporation or of any Affiliate, (b) Adopt, approve amendments to, or amend the Articles of Incorporation of the Corporation or of any Affiliate, (c) Adopt, approve amendments to, or amend the Bylaws of the Corporation or of any Affiliate, (d) Appoint and remove the Board of Directors, any one or more of the Directors of the Corporation or of any Affiliate, and the Chairperson and President of the Corporation or of any Affiliate, (e) Approve the recommendation of the Board of Directors to appoint or remove the Board of Directors, any one or more Directors of the Corporation or of any Affiliate, or the Chairperson and President of the Corporation or of any Affiliate (f) With respect to the Corporation or any Affiliate, approve the purchase, sale, alienation, exchange, lease or encumbrance of any real property of the Corporation or of any Affiliate, w hich property has a value in excess of limits set from time to time by HSSI, (g) Approve the operating and capital budgets of the Corporation or of any Affiliate, and any deviations by the Corporation or of any Affiliate from such budgets in an amount or percentage specified by HSSI from time to time, (h) Approve the strategic plan and goals of the Corporation or of any Affiliate, (i) Approve the sale of substantially all of the assets of the Corporation or of any Affiliate, (j) Approve the merger or dissolution of the Corporation or of any Affiliate, (k) Adopt or amend the plan for mmistry education and governance for the Corporation and its Affiliates, (l) Approve the Corporation's Mission Accountability Reports and those of any Affiliate, (m) Approve the financial policies and procedures of the Corporation or of any Affiliate and approve any deviations from such policies and procedures by the Corporation or any Affiliate, and (n) Adopt policies to implement the Reserved Powers of HSSI

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, LINE 11a	The hospital employs KPMG to assist in the overall review and electronic submission of its Form 990 KPMG provides guidance in identifying critical errors in the return submission and feedback on quanttative and qualitative responses Additionally, the hospital CFO performs a thorough review of the return and review s it w th the hospital CEO and/or senior leaders before presenting it in its entirety to the hospital Board for questioning and review prior to the return's signing and submission to the IRS

Identifier	Return Reference	Explanation
ADDRESS OF OFFICERS WHO CANNOT BE REACHED AT THE HOSPITAL	FORM 990, PART VI, LINE 11	Adam Cumbo 528 Lucas Lane Forsyth, IL 62535

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	The organization is subject to the corporate compliance program and conflict of interest policy ("policy") of Hospital Sisters Health System, an Illinois not for profit corporation exempt from federal taxation under section 501(c)(3) of the internal revenue code A REVISED CORPORATE COMPLIANCE PROGRAM AND CONFLICT OF INTEREST POLICY HAVE BEEN IMPLEMENTED SINCE JANUARY, 2009 TO MANAGE CONFLICTS OF INTEREST USING A SYSTEM-WIDE PROTOCOL FOR DISCLOSURE STATEMENTS IN ACCORDANCE WITH the organzaton's CONFLICT OF INTEREST POLICY, ALL COVERED PERSONS HAVE A DUTY TO COMPLY WITH THE CONFLICT OF INTEREST POLICY FOR ANY CONTRACT, TRANSACTION, RELATIONSHIP OR ACTIVITY CONTEMPLATED, ENTERED INTO OR CONDUCTED AT HSHS OR ITS AFFILIATES THE POLICY DEFINES COVERED PERSONS AS BOARD MEMBERS, BOARD COMMITTEE MEMBERS, OFFICERS, BOARD DESIGNEES, SENIOR MANAGEMENT, MEMBERS OF ANY COMMITTEE THAT OVERSEES THE APPROVAL OF PHARMA CEUTICALS AND MEDICAL DEVICES, ANY OTHER INDIVIDUAL WHO HOLDS A POSITION OF TRUST ON AN ANNUAL BASIS, HSHS DISCLOSES A COPY OF THE CONFLICT OF INTEREST POLICY (AND ALL CORRESPONDING PROCEDURES, GUIDELINES, FORMS AND TOOLS) TO ALL COVERED PERSONS AND ADVISES ALL COVERED PERSONS IN WRITING OF ANY SUBSTANTIVE CHANGES TO THIS POLICY AND SUCH RELATED MATERIALS COVERED PERSONS ARE REQUIRED TO REVIEW AND COMPLETE THE CORRESPONDING CONFLICT OF INTEREST STATEMENT THE SYSTEM OFFICE VICE PRESIDENT - SYSTEM RESPONSIBILITY, VICE PRESIDENT - RISK & COMPLIANCE OR MEMBERS OF THE AUDIT AND INTEGRITY COMMITTEE ("COMMITTEE") ARE AVAILABLE TO ANSWERS ANY QUESTIONS A COVERED PERSON MAY HAVE IN ADDITION, IF, AT ANY TIME AFTER SUBMITTING AN ANNUAL CONFLICT OF INTEREST STATEMENT, A COVERED PERSON BECOMES AWARE OF AN INTEREST THAT HE OR SHE WOULD HAVE HAD TO DISCLOSE AT THE ANNUAL INTERVAL, THE COVERED PERSON IS REQUIRED PROMPTLY TO DISCLOSE THE INTEREST TO THE COMMITTEE USING THE HSHS CONFLICT OF INTEREST DISCLOSURE STATEMENT COMPLETED CONFLICT OF INTEREST STATEMENTS ARE SUBMITTED TO THE COMMITTEE, WHICH IS RESPONSIBLE FOR IDENTIFYING, ASSESSING, AND MANAGING CONFLICTS OF INTEREST THAT ARISE IN THE COURSE OF CONDUCTING THE AFFAIRS OF HSHS AND ITS AFFILIATES IF THE COMMITTEE DETERMINES THAT A CONFLICT OF INTEREST EXISTS, THE CONFLICT OF INTEREST POLICY REQUIRES HSHS NOT TO ENGAGE IN OR ENTER INTO A PROPOSED CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY UNLESS THE COMMITTEE OR, WHERE NECESSARY, THE BOARD OF DIRECTORS (ACTING THROUGH ITS DISINTERESTED MEMBERS), HAS INVESTIGATED ALTERNATIVES TO THE PROPOSED CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY AND, IN THE ABSENCE OF ALTERNATIVES THAT ARE IN THE BEST INTERESTS OF HSHS, HAS DETERMINED 1 THAT, REGARDLESS OF WHETHER THE COVERED PERSON PARTICIPATES IN THE IMPLEMENTATION OF THE PROPOSED CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT, OR ACTIVITY, 2 THE CONTRACT, TRANSACTION, ARRANGEMENT OR ACTIVITY IS IN THE BEST INTERESTS OF HSHS, 3 THE CONTRACT, TRANSACTION, ARRANGEMENT OR ACTIVITY IS FAIR AND REASONABLE FROM THE PERSPECTIVE OF HSHS, AND 4 HSHS CANNOT OBTAIN A MORE ADVANTAGEOUS CONTRACT, TRANSACTION, ARRANGEMENT OR ACTIVITY WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES IN DETERMINING WHETHER A CONTRACT, TRANSACTION OR ARRANGEMENT IS FAIR AND REASONABLE TO HSHS, THE COMMITTEE SHALL CONSIDER, WHERE APPLICABLE 1 APPRAISALS OR OTHER INDEPENDENT VALUATIONS OF THE FAIR MARKET VALUE OF THE CONTRACT, TRANSACTION OR ARRANGEMENT, 2 INFORMATION REGARDING COMPARABLE CONTRACTS, TRANSACTIONS OR ARRANGEMENTS BETWEEN UNRELATED PARTIES, 3 OFFERS FROM COMPARABLE COMPETING ENTITIES, AND/OR 4 STUDIES OF COMPARABLE COMPENSATION ARRANGEMENTS IN ANY CASE IN WHICH THE COMMITTEE FINDS, AFTER TAKING THE STEPS DESCRIBED ABOVE, THAT HSHS SHOULD PARTICIPATE IN A PROPOSED TRANSACTION OR ARRANGEMENT DESPITE THE EXISTENCE OF A CONFLICT OF INTEREST, THE COMMITTEE SHALL DEVELOP, IMPLEMENT, MONITOR, AND ENFORCE COMPLIANCE WITH, A CONFLICT MANAGEMENT PLAN FOR MANAGING THE CONFLICT OF INTEREST AS IT CONSIDERS NECESSARY FOR SUCH FINDINGS TO REMAIN VALID THROUGHOUT THE LIFE OF THE CONTRACT, TRANSACTION, RELATIONSHIP, ARRANGEMENT OR ACTIVITY ALL CONFLICT MANAGEMENT PLANS SHALL 1 STATE THAT THE COMMITTEE WILL OVERSEE, MONITOR AND ENFORCE COMPLIANCE WITH THE PLAN THROUGHOUT THE COURSE OF THE STUDY AND SPECIFY MEANS FOR DOING SO, INCLUDING, WITHOUT LIMITATION, THAT THE APPROPRIATE INDIVIDUALS MUST PROVIDE THE COMMITTEE WITH WRITTEN REPORTS PERTAINING TO COMPLIANCE WITH THE CONFLICT MANAGEMENT PLAN, THAT THE COMMITTEE SHALL HAVE THE RIGHT TO AUDIT THE STUDY FOR SUCH COMPLIANCE AND THE RIGHT TO IMPOSE SANCTIONS FOR NON-COMPLIANCE, 2 STATE THAT THE PLAN MUST BE SHARED WITH COVERED PERSON WHOSE INTERESTS IT WAS DEVELOPED TO MANAGE, 3 STATE THAT THE PLAN MUST BE SHARED WITH, AND PERIODIC REPORTS ON COMPLIANCE WITH THE PLAN MUST BE PROVIDED TO, THE BOARD, SENIOR MANAGEMENT AND/OR GOVERNMENT AGENCIES, AND 4 PROVIDE FOR SUCH OTHER MANAGEMENT STEPS AND MECHANISMS THE COMMITTEE CONSIDERS NECESSARY AND APPROPRIATE IN ADDITION TO THE COMMITTEE, THE SYSTEM OFFICE VICE PRESIDENTS OF SYSTEM RESPONSIBILITY AND RISK & COMPLIANCE MAY RETAIN SUCH INDEPENDENT ADVISORS OR EXPERTS AS DEEMED NECESSARY TO ASSIST IN MAKING ITS DETERMINATIONS AND DECISIONS IF THE COMMITTEE DETERMINES THAT THE CONTEMPLATED TRANSACTION, RELATIONSHIP ARRANGEMENT OR ACTIVITY CANNOT PROCEED DUE TO A CONFLICT OF INTEREST, THE COMMITTEE SHALL INFORM THE APPLICABLE COVERED PERSON OR DECISION-MAKING BODY OF SUCH DETERMINATION WITHIN ONE WEEK OF THE COMMITTEE MEETING AT WHICH THE CONTEMPLATED TRANSACTION WAS DISCUSSED THE COMMITTEE SHALL DOCUMENT ITS REJECTION OF THE CONTEMPLATED TRANSACTION IN THE COMMITTEE'S MEETING MINUTES

Identifier	Return Reference	Explanation
WHISTLEBLOWER POLICY	FORM 990, PART VI, LINE 13	Provisions w ithin the Corporate Compliance Program and Conflict of Interest Policy provide protections for whistleblow er type activities

Identifier	Return Reference	Explanation
COMPENSATION PROCESS	FORM 990, PART VI, LINE 15	THE COMPENSATION COMMITTEE (COMMITTEE) IS COMPRISED OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS THE COMMITTEE DEVELOPS A COMPENSATION PHILOSOPHY FOR THE SYSTEM AND ALL AFFILIATES THE COMMITTEE SELECTS AND HIRES THE INDEPENDENT COMPENSATION CONSULTANT TO DEVELOP COMPARABILITY DATA AND ADVISE THE COMMITTEE DURING ITS DELIBERATIONS REGARDING ALL ELEMENTS OF TOTAL COMPENSATION FOR ALL DISQUALIFIED INDIVIDUALS INTEGRATED HEALTHCARE STRATEGIES (IHS), THE CONSULTANTS UTILIZED BY THE COMMITTEE, USE DATA FROM MULTIPLE TAX-EXEMPT PEER GROUP SOURCES TO DETERMINE SALARY RANGES, INCENTIVE OPPORTUNITY RANGES AND BENEFITS FOR THE DISQUALIFIED INDIVIDUALS IHS THEN ASSISTS THE COMMITTEE IN PREPARING CONTEMPORANEOUS DOCUMENTATION OF ALL ACTIONS EACH COMMITTEE MEETING IS CONDUCTED WITH THE INTENT TO CREATE A REBUTTABLE PRESUMPTION OF REASONABLENESS FOR ALL ELEMENTS OF EXECUTIVE TOTAL COMPENSATION FOR THE DISQUALIFIED INDIVIDUALS THE CHAIRMAN MAKES THIS DECLARATION AND ALSO INQUIRES IF THERE ARE ANY CONFLICTS OF INTEREST BY ANY ATTENDEES ANY CONFLICTS ARE DISCLOSED AND THE COMMITTEE THEN ACTS IN A MANNER TO AVOID ANY CONFLICTED INDIVIDUAL PARTICIPATING IN ANY MANNER WHERE A CONFLICT MIGHT EXIST AT THE END OF THE MEETING, THE COMMITTEE PREPARES CONTEMPORANEOUS MINUTES THAT RECORD ALL ACTIONS TAKEN DURING THE MEETING

Identifier	Return Reference	Explanation
DISCLOSURE DOCUMENTS AVAILABLE TO THE PUBLIC	FORM 990, PART VI, LINE 19	Board-approved financial statements are made available to the public upon request The governing documents and conflict of interest policy are not made available to the general public at this time

Identifier	Return Reference	Explanation
POOLED INVESTMENT ACCOUNT	FORM 990, PART X, LINE 11	ST MARY'S HOSPITAL'S CASH RESERVES ARE INVESTED IN A POOLED INVESTMENT ACCOUNT PARTICIPATION IN THE POOLED FUND IS LIMITED TO THE 501 (C) (3) HOSPITALS AND RELATED HEALTH SERVICES ORGANIZATIONS SPONSORED BY HOSPITAL SISTERS HEALTH SYSTEM THE POOLED ACCOUNT CONSISTS OF CASH, EQUITY, AND DEBT SECURITIES THAT ARE PUBLICLY TRADED INVESTMENTS FOR THE POOLED ACCOUNTS ARE ALL HELD FOR OTHER THAN TRADING PURPOSES IN ACCORDANCE WITH THE PROVISIONS OF SFAS NO 124 "ACCOUNTING FOR CERTAIN INVESTMENTS HELD BY NOT-FOR-PROFIT ORGANIZATIONS", INVESTMENTS IN EQUITY SECURITIES WITH READILY DETERMINABLE VALUES AND ALL INVESTMENTS IN DEBT SECURITIES ARE REPORTED AT FAIR VALUE ON THE BALANCE SHEET INCOME, REALIZED AND UNREALIZED GAINS AND LOSSES ARE POOLED AND ALLOCATED TO THE PARTICIPANTS INDIVIDUAL COMPONENTS OF ASSETS AND REVENUE ARE NOT IDENTIFIED TO THE PARTICIPANTS

Identifier	Return Reference	Explanation
LOANS TO INTERESTED PERSONS	FORM 990 SCHEDULE L, PART II	John J White was an owner of Surgical Specialists of Central Illinois, S C who received a loan from the Hospital The \$362,509 ISSUED TO SURGICAL SPECIALISTS OF CENTRAL ILLINOIS, S C WAS ISSUED AS TWO SEPARATE LOANS \$163,196 OF THE ENDING BALANCE REPRESENTS THE LOAN THAT WAS IN DEFAULT AT THE END OF THE FISCAL YEAR THIS LOAN WAS SETTLED IN NOVEMBER OF 2010 AFTER THE END OF THE FISCAL YEAR

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	FORM 990 SCHEDULE L, PART IV	BOARD MEMEBER, JON ROBINSON, IS A 50% PARTNER IN THE BOLEN, ROBINSON LAW FIRM THE FIRM PROVIDES LEGAL SERVICES TO THE ORGANIZATION AND ALL SERVICES WERE CONSIDERED TO BE ARMS-LENGTH TRANSACTIONS

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
ST MARY'S HOSPITAL SISTERS OF THE THIRD
ORDER OF ST FRANCIS

Employer identification number

37-0661244

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
Springfield Health Partners LLC 4936 Laverna Road springfield, IL 62707 37-1364419	healthcare	IL			hshs mg

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
See Additional Data Table					

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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
See Additional Data Table											

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
See Additional Data Table							

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

No

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

No

1k

Yes

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

Yes

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) Prairie Cardiovascular	q	134,653
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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

[illegible]

Software ID:

Software Version:

EIN: 37-0661244

Name: ST MARY'S HOSPITAL SISTERS OF THE THIRD ORDER OF ST FRANCIS

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
HOSPITAL SISTERS HEALTH SYSTEM 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1058692	HEALTHCARE	IL	501(c)(3)	11A	NA
Hospital Sisters Services Inc 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1163402	HEALTHCARE	IL	501(c)(3)	11A	NA
HOSPITAL SISTERS OF ST FRANCIS FDTN 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1186514	HEALTHCARE	IL	501(c)(3)	11A	NA
HSHS SELF INSURANCE TRUST FUND 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1120626	INSURANCE	IL	501(c)(3)	11A	NA
HSHS HEALTH CARE PLAN TRUST FUND 4936 LAVERNA ROAD SPRINGFIELD, IL62707 37-1137724	HEALTHCARE	IL	501(c)(9)	3	NA
Hospital Sisters Healthcare West Inc 2661 COUNTY HIGHWAY 1 CHIPPEWA FALLS, WI54729 51-0157933	HEALTHCARE	WI	501(c)(3)	3	NA
SACRED HEART HOSPITAL 900 WEST CLAIREMONT AVENUE EAU CLAIRE, WI54701 39-0807060	HEALTHCARE	WI	501(c)(3)	3	NA
ST ANTHONY'S HOSPITAL 503 N MAPLE STREET EFFINGHAM, IL62401 37-0661233	HEALTHCARE	IL	501(c)(3)	3	NA
ST ELIZABETH'S HOSPITAL 211 SOUTH THIRD STREET BELLEVILLE, IL62220 37-0663567	HEALTHCARE	IL	501(c)(3)	3	NA
ST NICHOLAS HOSPITAL 3100 SUPERIOR AVENUE SHEBOYGAN, WI53081 39-0808480	HEALTHCARE	WI	501(c)(3)	3	NA
ST JOHN'S HOSPITAL 500 EAST CARPENTER STREET SPRINGFIELD, IL62769 37-0661238	HEALTHCARE	IL	501(c)(3)	3	NA
ST JOSEPH'S HOSPITAL 9515 HOLY CROSS LANE BREESE, IL62230 37-1208459	HEALTHCARE	IL	501(c)(3)	3	NA
ST JOSEPH'S HOSPITAL 2661 COUNTY HIGHWAY 1 CHIPPEWA FALLS, WI54729 39-0810545	HEALTHCARE	WI	501(c)(3)	3	NA
ST FRANCIS HOSPITAL 1215 FRANCISCAN DRIVE LITCHFIELD, IL62056 37-0661236	HEALTHCARE	IL	501(c)(3)	3	NA
ST MARY'S HOSPITAL 111 SPRING STREET STREATOR, IL61364 36-2169181	HEALTHCARE	IL	501(c)(3)	3	NA
ST MARY'S MEDICAL CENTER 1726 SHAWANO AVENUE GREEN BAY, WI54303 39-0818682	HEALTHCARE	WI	501(c)(3)	3	NA
ST VINCENT HOSPITAL 835 S VAN BUREN GREEN BAY, WI54301 39-0817529	HEALTHCARE	WI	501(c)(3)	3	NA
ST JOSEPH'S HOSPITAL 1515 MAIN STREET HIGHLAND, IL62249 37-0663568	HEALTHCARE	IL	501(c)(3)	3	NA
HSHS MEDICAL GROUP INC 4936 LAVERNA ROAD SPRINGFIELD, IL62707 26-3956318	HEALTHCARE	IL	501(c)(3)	11A	NA
HSHS WISCONSIN MEDICAL GROUP INC 8040 Excelsior Dirve STE 200 MADISON, WI53717 26-4515959	HEALTHCARE	WI	501(c)(3)	11A	NA
Orangs Cross Ambulance inc 919 Ashland Ave Sheboygan, WI53081 39-1860942	Healthcare	WI	501(c)(3)	9	St Nicholas
Wisconsin Upper Peninsula Onc Mngmt Svcs 835 S Van Buren Green Bay, WI54301 39-1677100	Healthcare	WI	501(c)(3)	3	St Vincents
Unity Limited Partnership 2366 Oak Ridge Circle De Pere, WI54115 39-1750729	Healthcare	WI	501(c)(3)	9	HSSI

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?	
							Yes	No		Yes	No
Memorial and St Elizabeth's Healthcare 4000 North Illinois Street Swansea, IL62226 37-1312961	HealthCare	IL	St Elizabeth's	Related				No			No
Health Ventures Of So Illinois LLC 2810 Frank Scott Pkwy W STE 700 Belleville, IL62223 37-1334060	HealthCare	IL	St Elizabeth's	Related				No			No
Prairie Heart Insutute - Carbondale LLC 800 East Carpenter Street Springfield, IL62769 37-1321197	HealthCare	IL	St John's	Related				No			No
Northeast Wisconsin Radiation Therapy Se 1821 S Webster Avenue STE 300 Green Bay, WI543079047 26-3749065	HealthCare	WI	St Vincent's	Related				No			No
Pain Center of Wisconsin 4131 W Loomis Road STE 300 Greenfield, WI53221 26-3155343	HealthCare	WI	St Vincent's	Related				No			No
Surgery Center of Sheboygan LLC 3141 Saemann Ave Sheboygan, WI53081 26-0822209	HealthCare	WI	St Nicholas	Related				No			No
Prevea Ventures LLC 2710 EXECUTIVE DR Green Bay, WI54304 20-3775127	HealthCare	WI	HSSI	Related				No			No
Kiara Clinical Integration Network LLC 4936 Laverna Rd Springfield, IL62707 26-1417684	HealthCare	IL	Kiara Inc	Related				No			No
Carpenter Street Hotel LLC 525 North Sixth Street springfield, IL62702 36-4128127	hotel	IL	lasante inc	related				No			No
Springfield Urgent Care Real Estate LLC PO Box 19456 springfield, IL627949456 03-0413258	rent real estate	IL	lasante inc	related				No			No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
Kiara Inc 4936 Laverna Rd Springfield, IL62707 37-1163401	HealthCare	IL	HSBS	C Corp			
LaSante Wisconsin Inc 4936 Laverna Rd Springfield, IL62707 39-1572196	HealthCare	IL	Kiara Inc	C Corp			
LaSante Inc 4936 Laverna Rd Springfield, IL62707 37-1163400	HealthCare	IL	Kiara Inc	C Corp			
Prairie Cardiovascular 619 East Mason STE 4P57 Springfield, IL62701 37-1071858	HealthCare	IL	Kiara Inc	C Corp			
Prevea Health Services 2710 EXECUTIVE DR Green Bay, WI54304 39-1839351	HealthCare	WI	HSSI	C Corp			
Prevea Clinic Inc 2710 EXECUTIVE DR Green Bay, WI54304 39-1839349	HealthCare	WI	HSSI	C Corp			
Prevea Health Network 2710 EXECUTIVE DR Green Bay, WI54304 39-2000537	HealthCare	WI	HSSI	C Corp			
Prevea Regional Services 2710 EXECUTIVE DR Green Bay, WI54304 39-1909993	HealthCare	WI	HSSI	C Corp			
Renaissance Quality Insurance PO Box 1159 KY1-1102 Grand Caymans KY1-1102 CJ 98-0669953	Insurance	CJ	HSSI	c corp			

TY 2009 Affiliate Listing

Name: ST MARY'S HOSPITAL SISTERS OF THE THIRD
ORDER OF ST FRANCIS

EIN: 37-0661244