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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

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
Sacred Heart Health System Inc

Doing Business As

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

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

D Employer identification number
59-0634434

E Telephone number
(850) 416-7000

G Gross receipts $ 776,330,744

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

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

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

H(c) Group exemption number ▶ 0928

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

J Website: ▶ www sacred-heart org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1915 | **M** State of legal domicile FL

Part I Summary

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of employees (Part V, line 2a)	5	5,776
6	Total number of volunteers (estimate if necessary)	6	13
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	3,927,367
b	Net unrelated business taxable income from Form 990-T, line 34	7b	643,259

		Prior Year	Current Year
Revenue 8	Contributions and grants (Part VIII, line 1h)	14,629,758	666,505
9	Program service revenue (Part VIII, line 2g)	682,732,102	753,983,116
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-15,074,868	9,806,710
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	17,873,034	7,892,587
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	700,160,026	772,348,918
Expenses 13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	264,318,918	292,859,545
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	415,616,155	449,499,598
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	679,935,073	742,359,143
19	Revenue less expenses Subtract line 18 from line 12	20,224,953	29,989,775

		Beginning of Current Year	End of Year
Net Assets or Fund Balances 20	Total assets (Part X, line 16)	580,449,328	625,783,054
21	Total liabilities (Part X, line 26)	251,416,003	262,984,533
22	Net assets or fund balances Subtract line 21 from line 20	329,033,325	362,798,521

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2011-05-13

▶ BUDDY ELMORE CFO/Executive VP
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-empolyed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ Deloitte Tax LLP
250 East Fifth Street Suite 1900
Cincinnati, OH 45202

EIN ▶

Phone no ▶ (513) 784-7100

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

Sacred Heart Hospital provides necessary medical care to the sick and poor of our community regardless of the ability to pay Services include inpatient routine and inpatient ancillary support of the healthcare mission of the hospital Please see the statement of Program Service Accomplishments for further detail on the relationship of activities to the accomplishment of the exempt purpose

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 $ 520,534,125 including grants of $) (Revenue $ 757,260,117)

Patient Services - 466 bed medical-surgical acute care hospital in Pensacola, Florida The facility includes a 119 bed Children's Hospital Sacred Heart Hospital on the Emerald Coast is a 58 bed medical-surgical hospital located in Destin, FL Sacred Heart Hospital on the Gulf is a 25 bed medical-surgical hospital located in Port St Joe, FL Expanding awareness, education and promotion of health by offering healthcare, classes and seminars for the Community See Schedule o for community benefit report

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

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

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

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

4e **Total program service expenses** ▶ $ 520,534,125

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, line10? *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? *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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	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? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**	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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
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, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	369		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	5,776		
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)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes" to 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		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . .	1a 14		
b	Enter the number of voting members that are independent . .	1b 9		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-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			
See add'l data										

1b Total . . . . . ▶	11,969,971	0	249,822

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 ▶228

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Greenhut Construction 23 South A Street Pensacola, FL 32501	Construction	12,128,592
TriMedx PO Box 1627 Indianapolis, IN 46206	Equipment Maintenance	6,991,729
Panhandle Anesthology Associates PA 4901 Grande Drive Pensacola, FL 32504	Anesthesiology Service	4,608,740
Sodexo Inc PO Box 536922 Atlanta, GA 303536922	Food Service	4,036,348
Craftsman Specialists PO Box 37040 Pensacola, FL 32526	Construction	1,213,818
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 ▶80		

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	489,589			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	176,916			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		666,505			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	621,990	650,983,016	648,153,870	2,829,146	
	b	MSO SHARED ALLOCATION	621,990	72,447,612	72,447,612		
	c	MANAGEMENT SERVICES	541,610	14,634,756	13,630,329	1,004,427	
	d	TRANSPORTATION	480,000	991,595	991,595		
	e	EDUCATION	611,710	74,732	74,732		
	f	All other program service revenue		14,851,405	14,851,405		
	g	**Total.** Add lines 2a–2f		753,983,116			
	3	Investment income (including dividends, interest and other similar amounts)		9,660,865			9,660,865
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents	4,812,890				
	b	Less rental expenses	4,124,671				
	c	Rental income or (loss)	688,219				
	d	Net rental income or (loss)			688,219	739,241	-51,022
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		3,000			
	b	Less cost or other basis and sales expenses		-142,845			
	c	Gain or (loss)		145,845			
	d	Net gain or (loss)			145,845		145,845
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	MISCELLANEOUS	900,099	2,687,173		93,794	2,593,379
	b	ASSETS RELEASED	621,990	2,628,458			2,628,458
	c	MEDICAL GROUP FEES	621,990	1,888,737	1,888,737		
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		7,204,368			
	12	**Total revenue.** See Instructions		772,348,918	752,777,521	3,927,367	14,977,525

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,956,525		3,956,525	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	228,665,695	201,537,875	27,127,820	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,976,117	3,887,031	8,089,086	
9 Other employee benefits	33,779,697	8,029,917	25,749,780	
10 Payroll taxes	14,481,511	12,630,797	1,850,714	
11 Fees for services (non-employees)				
a Management	7,081,234	2,410,452	4,670,782	
b Legal	306	306		
c Accounting				
d Lobbying				
e Professional fundraising *See Part IV, line 17*				
f Investment management fees				
g Other	35,096,307	10,579,216	24,517,091	
12 Advertising and promotion				
13 Office expenses	3,297,844	1,822,545	1,475,299	
14 Information technology				
15 Royalties				
16 Occupancy	9,982,332	8,353,237	1,629,095	
17 Travel	1,696,925	993,717	703,208	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,333,401	897,480	2,435,921	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	28,011,050	23,167,687	4,843,363	
23 Insurance	9,425,900	4,197,922	5,227,978	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Medical Supplies	124,921,227	121,539,042	3,382,185	0
b MSO Allocation	70,943,383	304,759	70,638,624	0
c Bad Debt	69,914,347	69,276,957	637,390	0
d Rent Expense	35,380,564	32,215,499	3,165,065	0
e Professional fees	19,411,915	3,728,613	15,683,302	0
f All other expenses	31,002,863	14,961,073	16,041,790	
25 **Total functional expenses.** Add lines 1 through 24f	742,359,143	520,534,125	221,825,018	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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		34,021,528	2	31,990,025
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		78,272,951	4	86,488,479
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	100,000
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		16,682,896	8	14,330,512
	9	Prepaid expenses and deferred charges		8,181,873	9	3,026,797
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 585,623,747			
	b	Less accumulated depreciation	10b 293,795,478	257,372,953	10c	291,828,269
	11	Investments—publicly traded securities			11	
	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		185,917,127	15	198,018,972
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		580,449,328	16	625,783,054
Liabilities	17	Accounts payable and accrued expenses		48,201,871	17	51,914,578
	18	Grants payable			18	
	19	Deferred revenue		4,535,568	19	2,210,706
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		29,714	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		198,648,850	25	208,859,249
	26	**Total liabilities.** Add lines 17 through 25		251,416,003	26	262,984,533
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		322,140,203	27	362,726,529
	28	Temporarily restricted net assets		6,893,122	28	71,992
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		329,033,325	33	362,798,521
	34	Total liabilities and net assets/fund balances		580,449,328	34	625,783,054

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?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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?	3a	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	3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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
Sacred Heart Health System Inc

Employer identification number
59-0634434

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?

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

h Provide the following information about the 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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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 III Support Schedule for Organizations Described in IRC 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

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

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: 59-0634434
Name: Sacred Heart Health System Inc

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

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

Medical Education - Sacred Heart Health System believes that, in order to provide the best health care to the community, its clinical personnel must receive ongoing medical education

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			
Patrick Madden - 63010 President & CEO	40 00	X		X				3,647,306	0	9,087
Eric Nickelsen Chairman	1 00	X		X				0	0	0
Dudley H Greenhut Vice-Chair	1 00	X		X				0	0	0
Sr Joan Keating DC Member	1 00	X						0	0	0
Sr Ellen Lacaprıa Member	1 00	X						0	0	0
Carol H Carlan Member	1 00	X						0	0	0
Sr Mary Jean Doyle Member	1 00	X						0	0	0
E Jean Dabezies Jr MD Member	1 00	X						0	0	0
Gerald J Christie Member	1 00	X						0	0	0
Robert A Emmanuel Member	1 00	X						0	0	0
Nancy A Fetterman Member	1 00	X						0	0	0
Richar R Baker Member	1 00	X						0	0	0
Adelaida B Torres MD Member	1 00	X						0	0	0
Ronald P Townsend Member	1 00	X						0	0	0
Laura Kaiser Sch O CEO & COO	40 00			X				927,144	0	7,947
Buddy Elmore Sch O EVP & CFO	40 00			X				670,537	0	39,274
Dr Paul Baroco CMO	40 00				X			511,773	0	32,800
Deborah Bostic President-Sacred Heart Hosp	40 00				X			456,847	0	35,525
Karen Emmanuel Sch O General Counsel	40 00				X			286,654	0	22,236
Roger Hall President - SHHEC	40 00				X			358,023	0	27,248
Peter Heckathorn Sch O EVP-Sacred Heart Medical Grp	40 00				X			542,120	0	38,397
Dr Ranjith Dissanayake Physician	40 00					X		826,411	0	8,279
Dr Mark Boatright Physician	40 00					X		875,580	0	7,561
Dr Thomas Sunnenberg Physician	40 00					X		892,788	0	7,669
Dr Thomas Johnson Physician	40 00					X		921,793	0	5,824

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			
Dr Michael Goodman Physician	40 00					X		1,052,995	0	7,975

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

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
PATIENT SERVICES	621,990	650,983,016	648,153,870	2,829,146	
MSO SHARED ALLOCATION	621,990	72,447,612	72,447,612		
MANAGEMENT SERVICES	541,610	14,634,756	13,630,329	1,004,427	
TRANSPORTATION	480,000	991,595	991,595		
EDUCATION	611,710	74,732	74,732		

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

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Medical Supplies	124,921,227	121,539,042	3,382,185	0
MSO Allocation	70,943,383	304,759	70,638,624	0
Bad Debt	69,914,347	69,276,957	637,390	0
Rent Expense	35,380,564	32,215,499	3,165,065	0
Professional fees	19,411,915	3,728,613	15,683,302	0

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **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	Employer identification number
Sacred Heart Health System Inc	59-0634434

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		
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-		

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

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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?			
d	Mailings to members, legislators, or the public?	Yes		9,058
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		5,168
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV	Yes		80,639
j	Total lines 1c through 1i			94,865
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or 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
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, 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
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

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

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

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

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

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	7,116,226	44,676,043		51,792,269
b Buildings	20,394,824	332,958,900	138,243,096	215,110,628
c Leasehold improvements				
d Equipment		180,477,754	155,552,382	24,925,372
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				291,828,269

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

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

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

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

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

(a) Description	(b) Book value
Due from Affiliates	10,808,895
Board Designated Investments	138,390,886
Temporarily Restricted Investments	5,522,745
Ascension Pension Prefunding	9,458,198
Goodwill	63,365
Ascension Deferred Compensation	9,692,818
Other Receivables	20,530,725
Construction in Progress	3,551,340
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	198,018,972

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Pension Debt Issue	18,041,121
Deferred Compensation	9,692,818
Due to Affiliates	9,040,157
Retirement Plan Obligation	812,500
Self Insurance Trust	4,721,515
Other Liabilities	141,606,574
Third Party Payables	12,593,590
MOB Liability Accounting Ownership	12,350,974
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	208,859,249

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	772,348,918
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	742,359,143
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	29,989,775
4	Net unrealized gains (losses) on investments	4	8,280,295
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-4,504,874
9	Total adjustments (net) Add lines 4 - 8	9	3,775,421
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	33,765,196

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
Part X	Description of Uncertain Tax Positions Under FIN 48	Per the financial statements of Sacred Heart Health System, there is no ASC 740 (fka FIN 48) footnote for the current year
Part XI, Line 8 - Other Adjustments		Deferred Pension Cost 248178 Transfer to/from Affiliates -4025381 Transfer to Ascension -1447423 Other Changes in Fund Balance 719752

Additional Data

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

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
Due from Affiliates	10,808,895
Board Designated Investments	138,390,886
Temporarily Restricted Investments	5,522,745
Ascension Pension Prefunding	9,458,198
Goodwill	63,365
Ascension Deferred Compensation	9,692,818
Other Receivables	20,530,725
Construction in Progress	3,551,340

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

1 **(a)** Description of Liability	**(b)** Amount
Pension Debt Issue	18,041,121
Deferred Compensation	9,692,818
Due to Affiliates	9,040,157
Retirement Plan Obligation	812,500
Self Insurance Trust	4,721,515
Other Liabilities	141,606,574
Third Party Payables	12,593,590
MOB Liability Accounting Ownership	12,350,974

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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
Sacred Heart Health System Inc

Employer identification number
59-0634434

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 *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	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 eligibile for free or discounted care?	5c	Yes	
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		No
	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)			17,540,034		17,540,034	2 610 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			103,520,429	60,968,041	42,552,388	6 330 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			121,060,463	60,968,041	60,092,422	8 940 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			10,387,034	6,437,631	3,949,403	0 590 %
f Health professions education (from Worksheet 5)			1,112,791		1,112,791	0 170 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			47,882	15,500	32,382	0 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			148,648		148,648	0 020 %
j **Total** Other Benefits			11,696,355	6,453,131	5,243,224	0 780 %
k **Total.** Add lines 7d and 7j			132,756,818	67,421,172	65,335,646	9 720 %

Part II Community 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
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense (at cost)	2	69,914,347		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	7,748,472		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	139,916,459
6	Enter Medicare allowable costs of care relating to payments on line 5	6	140,837,913
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-921,454
8	Describe 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

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Sacred Heart Hospital 5151 N 9th Ave Pensacola, FL 32504	X	X	X	X		X	X		
Sacred Heart on the Emerald Coast 7800 US Hwy 98 Miramar Beach, FL 32550	X	X					X		
Sacred Heart Hospital of the Gulf 3801 E Hwy 98 Port St Joe, FL 32456	X	X					X		

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

See additional data

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 communites served

See additional data

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

Additional Data

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

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

Part III, Line 4 The provision for bad debts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance The results of this review are thenused to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible accounts After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the Health Ministry follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health Accounts receivable are written off after collection efforts have been followed in accordance with the Health Ministry's policies

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

Part V Sacred Heart Hospital, 5151 N 9th Ave , Pensacola, FL 32514 - licensed hospital, general medical and surgical, children's hospital, teaching hospital, research facility, 24hour emergency department Sacred Heart Hospital on the Emerald Coast, 7800 US Hwy 98, Miramar Beach, FL 32550 - licensed hospital, general medical and surgical, 24 hour emergency department

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

Part VI, Line 2 Sacred Heart Health System, in partnership with a community collaborative including public health, academic institutions, other community hospitals, and community services agencies conducted Escambia and Santa Rosa County community needs assessments in 1995, 2000 and 2005 The assessments measured 240 health indicators, including behavioral risk factors Needs are prioritized by the assessment tool and specific tasks are assigned to Sacred Heart Health System The assessment is printed and widely distributed in the community Sacred Heart Health System is actively engaged with other health systems in state to create an interactive, web-based community needs assessment tool which will permit us to do routine updated assessments across our entire market area This tool is based on the previous tool used in the past three assessments, and is in use in North Carolina

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

Part VI, Line 3 Trained financial counselors assist individuals who do not have insurance to qualify for Medicaid, SCHIP and other programs These services are available at established patient encounters such as pre-registration, registration, admissions and discharge, or at any other time requested along the continuum of patient care Further, trained counselors may assist with charity care or discount care based on the patient's personal income, their assets, and the size of their medical services bill A summary of financial assistance services, policies and programs are found on the health system website, posted predominately and made available through brochures The brochure, A Guide to your Hospital Bill, outlines payment and assistance options and it can be found in most areas of the hospital including admitting, emergency department, and diagnostic services

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

Part VI, Line 4 Sacred Heart Health System provides primary, secondary and tertiary health care services to residents of the communities we serve This includes the greater Pensacola MSA, and South Okaloosa and Walton Counties Additionally, Sacred Heart serves South Alabama's Baldwin and Escambia Counties There is special emphasis on service to the poor and those most in need The system includes a 458-bed medical-surgical acute care hospital in Pensacola, Florida Housed within the Pensacola facility is the 119-bed Childrens Hospital, the only one in Northwest Florida Sacred Heart Hospital on the Emerald Coast is a 58-bed medical-surgical hospital located in Miramar Beach, FL

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Part VI, Line 5 Physical Improvements & Housing SHHS contributed to the construction of Habitat of Humanity homes, participated with a coalition developing low-income housing solutions, and provided physical improvements to the dwellings of low-income homeowners Workforce Development SHHS provided Certified Nursing Assistant training and job placement for six individuals, four of whom were from the community at large Sacred Heart offers its "Freedom from Smoking" program to help with the physical, psychological and habitual components of nicotine addiction Additionally, health education for the community is provided with regular classes on topics such as stress management, violence prevention, diabetes management, babysitting, CPR, newborn parenting, preparing for joint replacement surgery, surviving after stroke, caregiver training, and coping with cancer SHHS provides a robust school mentoring program in partnership with the Escambia and Santa Rosa School Districts A particular emphasis is placed on annual science fairs, reading and math competencies SHHS actively works to reduce its waste stream by recycling cardboard, office paper, tin, aluminum, and plastics The system also promotes utilizing less electricity which reduces emissions cause by electrical power generation A position within the facilities department has been created to provide environmental oversight Sacred Heart Hospital provides medical education through the following residency programs FSU College of Medicine Pediatric Residency (21 physicians), FSU College of Medicine OB/GYN Residency (12 physicians), LECOM Internal Medicine Residency (9 physicians), and Sacred Heart Hospital Pharmacy Residency (adult & pediatric) Sacred Heart also partners with the following medical education institutions to provide onsite training for their students in health-related fields Florida State University College of Medicine, University of West Florida, Pensacola Jr College, Virginia Medical College, Jefferson Davis Community College, Pensacola Christian College, and Escambia County School District Health Academy Coalition Building Participated with Bay Area Works, Poverty Solutions of Escambia County, Business Leader's Network & the Able Trust, United Way, Catholic Charities and the Pensacola Bay Area Chamber of Commerce for jobs creation, training and the elimination of generational poverty Through Mission in Motion, a mobile health unit that travels throughout Northwest Florida, Sacred Heart provided free health screenings to the poor, elderly and uninsured Services for adults include screening for blood pressure, anemia, blood sugar, cholesterol, glaucoma, and osteoporosis screenings Services for children include free physical exams by a physician, and screenings for hearing, vision, and blood pressure Sacred Heart facilities the meetings of support groups for patients and families coping with the following health problems obesity, breast cancer, cancer, prostate cancer, children with attention deficit disorders, heart disease, parents of multiples, and osteoporosis On a monthly basis, Sacred Heart held community blood drives at a variety of Sacred Heart locations to support the Northwest Florida Blood Center Sacred Heart's Miracle Camp hosted overnight camping retreats for adults and children who have been diagnosed with chronic and critical illnesses Camps included adult cancer, pediatric cancer, pediatric diabetes, pediatric arthritis, pediatric asthma, pediatric cardiology and a variety of other retreats held throughout the year SHHS is actively engaged in physician and physician extender recruitment for underserved communities Physician recruitment includes primary care as well as subspecialty physicians Recruitment placement is based on unmet community needs, high priority health status indicators, and federally designated manpower shortages

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

Part VI, Line 6 Sacred Heart Health System provides many community benefits such as social services, pastoral care, community meeting space, and health education, all at no charge SHHS has an open medical staff with privileges available to all qualified physicians in the area The system is governed by a body of SHHS leaders with independent persons, representative of the community, comprising a majority of the board It also engages in medical or scientific research programs and in the training and education of health care professionals Other facilities and programs that promote the health of the community include a Pediatric Medical Clinic and a Pediatric Dental Clinic which provide services to low income children, and an adult dental clinic for emergency care The Seton Center for Obstetrics and Gynecology provides services to low-income women eligible for Medicaid

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

Part VI, Line 7 Sacred Heart Health System, Inc and subsidiaries (the Health Ministry) is a member of Ascension Health Ascension Health is a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 20 of the United States and the District of Columbia Ascension Health is sponsored by the Northeast, Southeast, East Central, and West Central Provinces of the Daughters of Charity of St Vincent de Paul, the Congregation of St Joseph, and the Congregation of the Sisters of St Joseph of Carondelet The Health System's principal operations consist of three nonprofit acute care hospitals Sacred Heart Hospital located in Pensacola, Florida, Sacred Heart Hospital on the Emerald Coast, located in Destin, Florida, and Sacred Heart Hospital on the Gulf, located in Port St Joe, Florida The Health System also owns and operates other health care related entities, including a nursing facility and physicians' medical group The Health System provides inpatient, outpatient, and emergency care services for residents of northwest Florida Admitting physicians are primarily practitioners in the local area The Health System is related to Ascension Health's other sponsored organizations through common control Substantially all expenses of Ascension Health are related to providing health care services MissionAscension Health directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing and dedicates its resources to spiritually centered care, which sustains and improves the health of the individuals and communities it serves In accordance with Ascension Health's mission of service to those who are poor and vulnerable, each Health Ministry accepts patients regardless of their ability to pay Ascension Health uses four categories to identify the resources utilized for the care of persons who are poor and community benefit programs -Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured -Unpaid cost of public programs represents the unpaid cost of services provided to persons covered by public programs for the poor -Cost of other programs for the poor includes unreimbursed costs of programs intentionally designed to serve the poor and vulnerable of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome -Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for the poor, including health promotion and education, health clinics and screenings, and medical research Discounts are provided to all uninsured patients, including those with the means to pay Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons who are poor and community benefit programs The cost of providing care of persons who are poor and community benefit programs is estimated using internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association (CHA) and the Internal Revenue Service (IRS)

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☑ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	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 accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
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				
Patrick Madden - 63010	(i)	756,638	429,344	2,461,324	4,900	4,187	3,656,393	0
	(ii)	0	0	0	0	0	0	0
Laura Kaiser (Sch O)	(i)	497,622	300,672	128,850	4,900	3,047	935,091	0
	(ii)	0	0	0	0	0	0	0
Buddy Elmore (Sch O)	(i)	346,419	98,125	225,993	34,426	4,848	709,811	0
	(ii)	0	0	0	0	0	0	0
Dr Paul Baroco	(i)	293,084	82,862	135,827	30,173	2,627	544,573	0
	(ii)	0	0	0	0	0	0	0
Deborah Bostic	(i)	324,982	88,240	43,625	31,506	4,019	492,372	0
	(ii)	0	0	0	0	0	0	0
Karen Emmanuel (Sch O)	(i)	199,152	36,146	51,356	21,536	700	308,890	0
	(ii)	0	0	0	0	0	0	0
Roger Hall	(i)	222,028	65,070	70,925	24,479	2,769	385,271	0
	(ii)	0	0	0	0	0	0	0
Peter Heckathorn (Sch O)	(i)	347,300	98,125	96,695	34,426	3,971	580,517	0
	(ii)	0	0	0	0	0	0	0
Dr Ranjith Dissanayake	(i)	300,385	492,508	33,518	4,900	3,379	834,690	0
	(ii)	0	0	0	0	0	0	0
Dr Mark Boatright	(i)	295,576	540,248	39,756	4,900	2,661	883,141	0
	(ii)	0	0	0	0	0	0	0
Dr Thomas Sunnenberg	(i)	473,122	368,124	51,542	4,900	2,769	900,457	0
	(ii)	0	0	0	0	0	0	0
Dr Thomas Johnson	(i)	380,658	523,798	17,337	2,978	2,846	927,617	0
	(ii)	0	0	0	0	0	0	0
Dr Michael Goodman	(i)	613,566	415,615	23,814	3,946	4,029	1,060,970	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	An officer of Sacred Heart Health System was provided the benefit of first class travel This benefit was treated as taxable compensation and included on the officer's Form W-2
	Part I, Line 4a	Eligible executives participate in a program that provides for supplemental retirement benefits The payment of benefits under the program, if any, is entirely dependent upon the facts and circumstances under which the executive terminates employment with the organization Benefits under the program are unfunded and non-vested Due to the substantial risk of forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program Any amount ultimately paid under the program to the executive is reported as compensation on Form 990, Schedule J, Part II, Column B in the year paid The filing organization contributed to the supplemental nonqualified retirement plan in the amount as noted Buddy Elmore - $29,526 Paul Baroco - $25,276 Deborah Bostic - $26,606 Karen Emmanuel - $16,636 Roger Hall - $19,579 Peter Heckathorn - $29,526

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.**

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

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? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Michael Goodman Initial Employment Loan		X	100,000	100,000		No		No		No
Total . . . . . ▶ $				100,000						

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
Greenhut Construction	A Board Member at SHHS is a President/officer at Greenhut Construction	12,128,592	Construction Svc		No
CNNM LLC	A Board Member at SHHS is an owner of CNNM, LLC	241,431	Building Lease		No
Gulf Coast Orthopaedics	A Board Member at SHHS is an owner at Gulf Coast Orthopaedics	310,791	Ortho Trauma Call		No

Additional Data

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

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SCHEDULE O
(Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047
2009
Open to Public Inspection

Name of the organization
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

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

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

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

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Management, including certain officers, works diligently to complete the Form 990 and attached schedules in a thorough manner Prior to filing the return, all Board Members are provided the Form 990 and management team members are available to answer any Board Members questions

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

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

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

Identifier	Return Reference	Explanation
Form 990, Part VII, Section A	Average hours devoted to related org(s) when related comp is reported	Officers for Sacred Heart Health System provide services to Sacred Heart Health System and its subsidiaries Hours worked are not tracked on an entity by entity basis Therefore, where noted with a "Sch O" reference, officers hours reported on Form 990, Part VII, compensation of officers, directors, trustees, key employees, highest compensated employees, and independent contractors represent aggregate hours worked per week for all entities

Identifier	Return Reference	Explanation
Form 990, Part VII, Section B		Greenhut Construction received 12,128,592 for construction service This amount includes services, labor, and materials Craftsman Specialist received 1,213,818 for construction service This amount includes services, labor, and materials

Identifier	Return Reference	Explanation
Form 990, Part III, Community Benefit Report	Sacred Heart Health System, Inc	Escambia Community Clinics, Inc In 1992, Sacred Heart Health System joined Baptist Healthcare to establish Escambia Community Clinics (ECC) in response to the closure of the county's public hospital ECC is now an independent nonprofit organization that is designated as a Federally Qualified Health Center, but with ongoing governance and financial support from its founders and county government ECC's mission is to provide quality outpatient primary health care services to Escambia County and surrounding area residents, with a special focus on access to care for the underinsured, uninsured, and the medically needy In 2010, ECC served over 24,000 individuals, of whom 55% were uninsured ECC provides quality comprehensive primary and preventative health care services in multiple locations to meet the needs of the population and to remove access to care barriers ECC operates convenient hours, is open seven days a week and has walk-in services as well as specific provider appointments ECC also provides lab and diagnostic x-ray services, and a pharmacy assistance program ECC's medical staff is comprised of primary care physicians and extenders, , nurses, medical technologists,social workers and eligibility staff Santa Rosa Community Clinics, Inc The Santa Rosa Community Clinic (SRCC) opened in 2001 as a part-time community safety net clinic In 2009, SRCC merged with Escambia Community Clinics (ECC) SRCC has subsequently relocated and expanded operations-in 2010, SRCC provided more than 8,200 visits Nearly 84% of patients served are below or at 200% of the federal poverty guidelines SRCC is committed to assuring access to care for the medically needy, under-insured, uninsured, and under-served populations of Santa Rosa County Services provided include primary health care for ages 6 months to adult, prescription assistance, school, work, and sports physicals, womens health care,, lab and diagnostic radiology, smoking cessation classes, diabetes and asthma case management, and other social services Mammogram Services Sacred Heart Health System's Ann L Baroco Center for Breast Health provides the latest technology for early detection with a compassionate, caring touch The center utilizes several different methods for breast cancer detection, including digital mammography, breast MRI, ultrasonography, and biopsy The Ann L Baroco center for Breast Health assures access to screening mammography and other services for the medically needy, under-insured, uninsured, and under-served, at-risk populations The Center attempts to identify patients who may be eligible for charity care through the charity care policy Heart and Hands/Day of Caring Programs Deeply rooted in the Daughters of Charity values is our commitment to the poor which goes beyond covering the costs of hospital care for those unable to pay In fact, Sacred Heart Mission Services are responsible for keeping the community healthy through a variety of programs, grants and services The Hearts and Hands program provides coordination assistance and capacity building to established organizations who serve those in poverty in our community Examples include Habitat for Humanity, Inc and the United Way Hearts and Hands organizes volunteers for these programs and provides supplies and other logistical support Hearts and Hands organized volunteers for the construction of six Habitat homes, a United Way Day of Caring and additional property clean-up days as referred by partnering organizations Prescription for the Poor Sacred Heart Health System supports a coordinated, community-wide pharmacy assistance program that was created through the Partners in Care Consortium, a project of Partnership for a Healthy Community SHHS participates in the program through direct services to uninsured, low-income inpatients and qualified community outpatients In 2009, Sacred Heart Hospital-Pensacola initiated a program for uninsured inpatients that need assistance in securing medications at discharge The purpose of the program is to improve medication compliance and reduce hospital readmissions due to lack of access to needed medications The SHH-P pharmacy developed a 350 medication generic formulary and qualification for dispensed meds is administered by inpatient social workers In support of ECC's role as a medical home, Sacred Heart Hospital-Pensacola pharmacy directly fills prescriptions for ECC patients with chronic conditions who are ineligible for public assistance and whose income is below 75% of the Federal poverty level Camp Bluebird (Adult Cancer Camps) Camp Bluebird, the first Adult Cancer Camp in America, is in its 10th year of operation in Pensacola The therapeutic camp is a three day, two night retreat held twice a year, once in the spring and once in the fall Sacred Heart Health system provides the facility, Miracle Camp, which is nestled on a 40 acre wooded site northwest of Pensacola Miracle Camp features an activity center, dormitories, a dining hall and a staffed infirmary Miracle Camp provides a memorable experience for those seeking respite, peace and renewal The camp enriches the lives of its visitors and helps them better cope with the challenges they face Campers have small group discussions about their disease with each other and with their physicians, educational programs, and they learn coping strategies and how to access other health and social services Additionally, campers enjoy arts and crafts, personal care services such as a massage and facials Care for the Poor Administrative Services Sacred Heart Health System is driven by our mission to serve all persons, with special attention to those who are poor and vulnerable The position of Mission Integration, vice president, gives special emphasis to the ministry's role as provider and advocate During the pre-registration, registration, admissions and discharge process, trained financial counselors assist individuals who do not have health insurance to help them to qualify for Medicaid, SCHIP and other programs SHHS provides assistance to uninsured patients who may be eligible for charity or discounted care, based on incomes, assets and the size of the medical bill A summary of financial assistance policies and programs are published on our website, made available through brochures and they are predominately posted in accordance with state and federal regulations Additionally, available financial assistance policies are communicated to patients in the ER, Admitting and the Diagnostic Center via a brochure with frequently asked questions about Patients Payment Responsibility The "Guide to Your Hospital Bill" also outlines the payment options available to those in need of financial assistance Children's Hospital Services Since its opening in 1969, Sacred Heart Children's Hospital has evolved into a highly regarded regional center for children's health care It is the only children's hospital in Northwest Florida which specializes in services for children with chronic illnesses Children's Hospital is a 106-bed pediatric center that was created with the total needs of children in mind The services of Children's Hospital include pediatric intensive care, neonatal intensive care, and inpatient care from infants to adolescents Children's Hospital is a partner with Nemours Children's Clinic Together they provide highly specialized care for children with complex medical or surgical problems Additionally, the Early Steps program at Sacred Heart provides free early intervention services to more than 1,300 local infants and toddlers annually in Escambia, Santa Rosa, Okaloosa and Walton counties These children may have significant developmental delays or have a condition that places them at risk for a significant developmental delay Pediatric Dental Clinic Screenings Our Pediatric Dental Clinic provides dental services to thousands of children from low-income families who otherwise have no access to dental care The Dental Clinic, located in the Ensley area of Escambia County, is operated through a partnership with the Escambia County Health Department Services for qualifying children (including Head Start) are emergency care, cleanings, fluoride treatment, sealants, restorative (fillings), extractions and x-rays Dental Health Education Activities at are provided at various schools serving children from at-risk neighborhoods This program's education focus is the provision of dental health information for patients under 150% of the poverty level who are Medicaid recipients or are not eligible for dental services through other programs

Identifier	Return Reference	Explanation
		Mission in Motion Mission in Motion is a mobile health unit that travels throughout Northwest Florida and Southwest Alabama Sacred Heart provides free health screenings to the poor, elderly and uninsured who reside in some of the communities' poorest zip codes Services for adults include screening for blood pressure, anemia, blood sugar, cholesterol, glaucoma, and osteoporosis screenings Services for children include free physical exams by a physician, and screenings for hearing, vision, and blood pressure The mobile unit serves more than 4200 people annually Our Faith Community Nurse Program, which is administered by the community wellness outreach department along with Mission in Motion, is a program where nurses volunteer within their own churches to promote the health and wellness of members of the congregation Senior Services Health education, screenings and wellness programs are offered at no cost to seniors aged 55 and older Examples include early awareness and detection education for diseases that are prevalent in older adults such as thyroid disease, stoke, or macular degeneration Additionally, there are monthly self help groups organized in areas such as grief support, advance directives, cancers, diabetes and stroke Seton Center for Gynecology and Obstetrics Provides comprehensive services including management of high risk pregnancies to patients, regardless of their ability to pay Health Fairs Sacred Heart Health System, Inc conducts free Health Fairs at all of its hospitals and off campus locations These are open to the public and provide free health screenings, health information and advice, blood sugar and total cholesterol screenings, blood pressure, blood oxygen levels, body fat, grip testing, and stroke risk assessments Parish Nurse Program Offers a community service in which nurses volunteer within their own churches to promote the health and wellness of members of the congregation Sacred Heart Hospital in Pensacola is proud to work with Lutheran Services to provide the Ryan White Title II Case Management Program, serving those in our community living with AIDS and the HIV virus Our program is designed to provide comprehensive information and assistance to clients and their families in areas including outpatient medical care, dental care, mental health services, and medications Through this program, clients and their families are also linked with local agencies that can assist with needs related to housing, transportation, drug and alcohol treatment, and food Through Partners in Education, we provide volunteer mentors and clinical supplies for a Pensacola elementary school in a low-income neighborhood We continue our participation in a Partnership for a Healthy Community, the cooperative effort to improve the health status of all citizens by providing outreach and educational activities Through ongoing Assistance to Missionary Projects, we provide funding, clinical supplies and volunteer assistance for a number of area, national and international relief efforts

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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
Sacred Heart Health System Inc

Employer identification number
59-0634434

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

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
Ascension Health PO Box 45998 St Louis, MO 63145 31-1662309	National Health System	MO	Section 501(c)(3)	Schedule A, Line 11a	N/A
Haven of Our lady of Peace 5151 N 9th Ave Pensacola, FL 32504 59-3620346	Nursing Home	FL	Section 501(c)(3)	Schedule A, Line 9	Sacred Heart Health System
Sacred Heart Foundation 5151 N 9th Ave Pensacola, FL 32504 59-2436597	Foundation	FL	Section 501(c)(3)	Schedule A, Line 7	Sacred Heart Health System
Sacred Heart Health Ventures 5151 N 9th Ave Pensacola, FL 32504 57-1183283	Investment	FL	Section 501(c)(3)	Schedule A, Line 11a	Sacred Heart Health System

Part III **Identification of Related Organizations Taxable as a Partnership** (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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No
Interventional Rehabilitation Center LLC 1549 Airport Blvd Suite 420 Pensacola, FL32503 59-3673361	Medical Services	FL	N/A								
PET LLC 5149 North 9th Ave Suite 124 Pensacola, FL32504 59-3788701	Medical Services	FL	N/A								
Emerald Coast Radiation Oncology Center LLC 7720 Us Highway 98 W Miramar Beach, FL32550 68-0507481	Medical Services	FL	N/A								
Endoscopy Group LLC 4810 North Davis HWY Pensacola, FL32503 59-3519881	Medical Services	FL	N/A								
Gulf Region Radiation Oncology MSO LLC 8333 North Davis HWY Pensacola, FL32504 26-1353083	Medical mmanagement Services	FL	Sacred Heart Health System Inc	Related	374,672	16,062,396		No		Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Gulf Coast Diversified Inc 5154 N 9th Ave Pensacola, FL32507 59-2432798	Investment	FL	Sacred Heart Health System Inc	C	434,610	16,258,646	100 000 %

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

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	**1a**	**No**
b	Gift, grant, or capital contribution to other organization(s)	**1b**	**No**
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**Yes**
d	Loans or loan guarantees to or for other organization(s)	**1d**	**No**
e	Loans or loan guarantees by other organization(s)	**1e**	**No**
f	Sale of assets to other organization(s)	**1f**	**No**
g	Purchase of assets from other organization(s)	**1g**	**No**
h	Exchange of assets	**1h**	**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**No**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**No**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**	**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**No**
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**No**
n	Sharing of paid employees	**1n**	**No**
o	Reimbursement paid to other organization for expenses	**1o**	**No**
p	Reimbursement paid by other organization for expenses	**1p**	**Yes**
q	Other transfer of cash or property to other organization(s)	**1q**	**No**
r	Other transfer of cash or property from other organization(s)	**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)	Sacred Heart Foundation	R	10,616,912
(2)	Haven of Our Lady of Peace Inc	C	707,431
(3)	Haven of Our Lady of Peace Inc	P	167,439
(4)	Sacred Heart Foundation	P	112,721
(5)			
(6)			

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

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

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

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Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

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

OMB No 1545-0172

2009

Attachment Sequence No **67**

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

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

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

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

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

7 Listed property Enter the amount from line 29	7		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	9		
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13 Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 ▶	13		

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

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

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

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

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2009	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

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

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

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

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

Non-Res Prop Type 1 count 0 Non-Res Prop Type 2 count 0 Non-Res Prop Totals count 0

Part IV **Summary** (see instructions)

22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	32,036
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

21 Listed proper

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

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

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

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

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

Section B—Information on Use of Vehicles

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

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

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

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

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions)					
43 Amortization of costs that began before your 2009 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	