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

<b>A</b> For the <b>2009</b> calendar year, or tax year beginning 10-01-2009 and ending 09-30-2010				
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>Please use IRS label or print or type. See Specific Instructions.</b>	<b>C</b> Name of organization MEMORIAL HEALTH SYSTEM		<b>D</b> Employer identification number 37-1110690
		Doing Business As		<b>E</b> Telephone number (217) 788-3198
		Number and street (or P O box if mail is not delivered to street address) 701 NORTH FIRST STREET	Room/suite	<b>G</b> Gross receipts \$ 76,053,222
		City or town, state or country, and ZIP + 4 SPRINGFIELD, IL 627810001		
		<b>F</b> Name and address of principal officer Edgar J Curtis 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001		
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)		
<b>J</b> Website: ▶ www.mhsil.com		<b>H(c)</b> Group exemption number ▶		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation 1981	<b>M</b> State of legal domicile IL

Part I		Summary		
Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3 1	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 1	
	5	Total number of employees (Part V, line 2a)	5 23	
	6	Total number of volunteers (estimate if necessary)	6	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 560,71	
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b -8,67	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	44,518,054	49,572,822
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-143,749	656,769
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-95,666	1,730,852
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	44,278,639	51,968,546
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	
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)	20,336,962	22,641,807
16a		Professional fundraising fees (Part IX, column (A), line 11e)		0
b		Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	24,237,076	28,618,217
18		Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	44,574,038	51,438,277
19		Revenue less expenses Subtract line 18 from line 12	-295,399	530,269
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	136,245,443	144,243,267
	22	Net assets or fund balances Subtract line 21 from line 20	64,858,034	63,763,910
			71,387,409	80,479,357

<b>Part II Signature Block</b>	
<b>Sign Here</b>	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
	<div> <div>*****</div> <div>Signature of officer</div> </div> <div> <div>2011-08-04</div> <div>Date</div> </div>
	<div> <div>ROBERT W KAY Senior VP &amp; CFO</div> <div>Type or print name and title</div> </div>
<b>Paid Preparer's Use Only</b>	<div> <div>Preparer's signature</div> <div>ZACHARY FORTSCH</div> </div> <div>Date</div> <div> <div>Check if self-employed</div> <div><input checked="" type="checkbox"/></div> </div> <div>Preparer's identifying number (see instructions)</div>
	<div> <div>Firm's name (or yours if self-employed), address, and ZIP + 4</div> <div>RSM MCGLADREY INC</div> <div>1 South Wacker Suite 600</div> <div>Chicago, IL 60606</div> </div> <div>EIN</div>
	<div>Phone no (312) 634-3400</div>

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

To improve the health of the people and communities we serve

<b>2</b>	Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If "Yes," describe these new services on Schedule O	
<b>3</b>	Did the organization cease conducting, or make significant changes in how it conducts, any program services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If "Yes," describe these changes on Schedule O	
<b>4</b>	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	

(Code	(Expenses \$	25,564,051	including grants of \$	(Revenue \$	10,730,071 )
4a	<p>INFORMATION TECHNOLOGY Memorial Health System is proactive in implementing technology that both improves patient safety, quality and clinical effectiveness, and improves Memorial Health System's business processes. Memorial Health System's staff of experienced Information Technology professionals is on the cutting edge of medical technology. They support a vast array of patient care and business applications. During FY10 significant information technology projects included Data Center stabilization and redundancy, implementation of Computerized Provider Order Entry system at Memorial Medical Center, implementation of Allscripts Electronic Health Record at Memorial Physician Services, implementation of the Pharmacy robot at Memorial Medical Center and establishment of the Health Information Exchange. As Memorial Health System becomes dependent on advanced technology, the stability and reliability of the computer data center is of paramount importance. The Data Center Stabilization project utilized national best practices for construction, placement, cooling and redundancy for power failures. This provides a stable and redundant environment for our clinical computer applications and prevents unplanned system down times. Memorial Health System has been on a journey to fully implement integrated electronic health records since 1995. At each stage of implementation the project has been carefully built and integrated to provide optimum patient safety, reduce medical errors, reduce staff documentation time, reduce errors due to interpreting hand-written orders, and improve communication among caregivers. Previously completed implementation phases of the electronic health record have been in the laboratory, emergency department, pharmacy, radiology, registration, surgery, and respiratory therapy. During FY10, Memorial Medical Center developed CPOE, which provides an electronic physician order system to encourage best practice standardization, reduce manual documentation time and errors associated with interpreting hand written orders, and implemented a robot to assist in filling routine prescriptions in the pharmacy. This reduces medication errors and confusion. Memorial Physician Services implemented the Allscripts Electronic Health Record, automating patient records for the physician practices. Another significant project provided Information Technology support for the activation of over 500 smart infusion IV pumps in patient-care areas at Memorial Medical Center. These pumps sound an alert if a drug that is being administered is programmed outside of the safe and normal dose, thus reducing medication errors. Information Technology created a wireless network that allows the online drug library in the Pharmacy to be updated to all of the pumps simultaneously, ensuring that all pumps have the most recent and accurate information. This eliminates the need to upgrade each pump manually and reduces variation among pumps and the possibility of medication errors. The U.S. Army Medical Research and Materiel Command helped to underwrite costs of this project for Memorial Medical Center. Memorial Physician Services is the primary care ambulatory practice group of Memorial Health System. After several years of evaluation and planning, Memorial Physician Services has fully implemented the Allscripts Enterprise electronic health record. This system facilitates all physician, nursing and staff documentation and all physician orders in an electronic format. Significant improvements in patient safety, staff efficiency and clinic flow are being realized.</p>				

4b	(Code	) (Expenses \$	4,988,170	including grants of \$	) (Revenue \$	3,948,817 )
	<p>BUILDING and FACILITY EXPANSION AND IMPROVEMENTSIn order to increase capacity to meet the ongoing community demand for services, Memorial Health System invested in several significant facility improvements and additions in FY10. All renovations and expansion of services were developed and designed with the assistance of a healthcare design firm, and with strict adherence to public health code for workflow circulation and space dimensions. Each incorporated specific improvements to protect healthcare providers from injury or harm. The top five projects were Diagnostic Imaging Services - In order to provide improved diagnostic imaging services to meet existing and future community demand, phase 2 of our outpatient remodeling program was completed. By updating equipment and patient care space, MMC is able to provide improved diagnostic imaging services which will enhance a physician's ability to provide an early diagnosis of a multitude of conditions. Estimated cost of completion of this project is \$9.9 million Pharmacy Renovations - To meet one of the National Patient Safety Goals from Joint Commission, MMC completed major pharmacy renovations including the installation of a pharmaceutical dispensing robot. The dispensing robot will improve patient care through the accurate labeling of all medications, containers, and solutions, resulting in a reduction in the risk of medication errors for patients. Total cost of the project was \$792,763. New Construction - To increase and improve medical services access in Lincoln, Illinois and in Taylorville, Illinois, new medical office buildings were constructed near the new site of Abraham Lincoln Memorial Hospital and adjacent to Taylorville Memorial Hospital. Each office building will provide space for specialists to provide care and services to underserved residents of the area. Total cost of the Lincoln project was \$6.3 million. Total cost of the Taylorville project was \$11.8 million Pain Clinic - The building located at 501 N. 1st Street in Springfield was remodeled to house the MMC Pain Clinic. The project provided additional clinic space and improved access for patients being treated for chronic pain. Cost of the project was \$1.4 million.</p>					














<b>4c</b>	(Code )	(Expenses \$ 2,417,165 including grants of \$ )	(Revenue \$ 34,399,851 )
	<p>EXECUTIVE LEADERSHIP Guided by the values of Memorial Health System, Senior Leadership is responsible for strategic planning, prioritizing among competing issues and engaging in dialogue and decision-making that will enable Memorial Health System to achieve its mission and vision and accomplish its strategic goals. The organization continues to aspire to be a national leader as it provides safe, top-quality and clinically effective patient care. Memorial Health System is committed to a comprehensive leadership development and training program to assure that leaders possess key individual, team, system and participatory leadership competencies. The Memorial Health System Leadership Development Institute offers a wide variety of courses and development opportunities, directed by the Organizational Learning and Development division. The competency-based leadership development system includes a 360-degree feedback process, succession planning, formal individual development plans, mentoring, coaching, administrative fellowship and internship programs, performance appraisal system and Leadership Development Forum to identify emerging leaders and give them broader exposure to the System Leadership Team. New this year, managers were trained to complete monthly rounding on employees. Clinical managers were trained in rounding on patients. A non-negotiable daily Nurse Manager rounding on patients and family time was established to ensure clinical leaders had the time needed to complete this important task. Memorial Health System's investment in strong, strategic leadership sets the pace for our organization. FY10 was one of the most successful years as reflected in clinical outcomes, where Memorial Health System achieved benchmark-level performance for mortality rates, door-to-balloon times for patients experiencing heart attacks, hand hygiene compliance rates, and surgical site infection rates. Employee engagement is excellent. Memorial Health System-wide employee satisfaction scores are in the top 6% of the nation, Memorial Health System was designated a national Employer of Choice, Memorial Medical Center continued designation as a Nursing Magnet Hospital by the American Nurse Credentialing Center, and Memorial Health System reduced employee vacancy and turnover rates. Financially, Memorial Medical Center provided nearly \$100 million in unreimbursed services to the people and communities it serves (including Medicare, Medicaid and unpaid patient accounts). Nearly \$18 million in charity care was provided, Memorial Health System's charity care policy provides assistance up to 750% of the federal poverty level. At the same time, Memorial Health System's financial results exceeded the operating budget. Leadership completed a five-year financial plan and achieved A1 and A+ bond ratings from Moody's and Standard and Poors, respectively.</p>		

<b>4d</b>	Other program services (Describe in Schedule O ) <b>See also Additional Data for Description</b>
(Expenses \$	2,233,777 including grants of \$ 178,253 ) (Revenue \$ )

<b>4e</b>	<b>Total program service expenses</b>	<b>\$ 35,203,163</b>
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Part IV

Checklist of Required Schedules

		Yes	No	
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes	
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III 	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes	
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.			
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.			
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.			
	◆ Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	14a		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I . . . . .	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II . . . . .	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III . . . . .	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H . . . . .	20		No

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable . . . . .	1a27	1c	Yes
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .				
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return . . . . .	2a233	2b	Yes
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .			3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .			4a	No
b If "Yes," enter the name of the foreign country: 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	17	
b	Enter the number of voting members that are independent . . .	1b	11	
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		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	12c	Yes	
13	Does the organization have a written whistleblower policy? . . . . .	13	Yes	
14	Does the organization have a written document retention and destruction policy? . . . . .	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes	
b	Other officers or key employees of the organization . . . . .	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶IL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Robert W Kay Senior VP & CFO 701 North First Street Springfield, IL 627810001 (217) 788-3198

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

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

Form **990** (2009)



<b>1b</b>	<b>Total</b> . . . . .	6,426,951	535,970	952,370
-----------	------------------------	-----------	---------	---------

**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▶34

<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .		<b>Yes</b>	<b>No</b>
	<b>3</b>	Yes	
	<b>4</b>	Yes	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	<b>5</b>		No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
HAROLD O'SHEA BUILDERS INC 3401 CONSTITUTION DR SPRINGFIELD, ID 62711	constrUCTION	11,113,223
cerner corporation po BOX 412702 kansas city, MO 64141	it CONSULTING SERVICES	2,337,027
MAINLINE INFORMATION SYStems INC PO BOX 402989 aTLANTA, GA 30384	it mAINTENANCE	1,134,987
Preceptor Consulting Corporation 12242 Country Day Circle Fort Meyers, FL 33913	IT CONSULTING SERVICES	749,182
MICROSOFT LICENSING GP BANK OF AMERICA DEPT 842467 1401 EL DALLAS, TX 75202	IT CONSULTING SERVICES	743,819

**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 ▶30

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	8,103					
	e	Government grants (contributions)	1e						
	f	All other contributions, gifts, grants, and similar amounts not included above	1f						
	g	Noncash contributions included in lines 1a-1f \$ 8,103							
	h	Total. Add lines 1a-1f . . . . .		8,103					
Program Service Revenue			Business Code						
	2a	MANAGEMENT FEES	900,099	34,893,934	34,399,851	494,083			
	b	IT Reimbursed Expenses	900,099	10,730,071	10,730,071				
	c	PROGRAM RELATED RENT	900,099	3,948,817	3,948,817				
	d								
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f . . . . .		49,572,822					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		902,506			902,506		
	4	Income from investment of tax-exempt bond proceeds . . .		3,836			3,836		
	5	Royalties . . . . .							
	6a	Gross Rents	(i) Real	(ii) Personal					
			3,502,377						
			3,941,232						
			-438,855						
	d	Net rental income or (loss) . . . . .		-438,855			-438,855		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			19,884,871	9,000					
			19,948,293	195,151					
			-63,422	-186,151					
	d	Net gain or (loss) . . . . .		-249,573			-249,573		
	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	Billing Service	561,000	2,096,600		66,002	2,030,598			
b	Misc Revenue	900,099	72,482			72,482			
c	501 Bldg Svcs Chapa	900,099	625		625				
d	All other revenue . . . . .								
e	Total. Add lines 11a-11d . . . . .		2,169,707						
12	Total revenue. See Instructions . . . . .		51,968,546	49,078,739	560,710	2,320,994			

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	178,253	178,253		
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 . . . . .	2,417,165	2,417,165		
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	15,848,719	8,249,245	7,599,474	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	1,270,485	661,287	609,198	
9	Other employee benefits . . . . .	2,027,304	881,950	1,145,354	
10	Payroll taxes . . . . .	1,078,134	574,253	503,881	
11	Fees for services (non-employees)				
a	Management . . . . .				
b	Legal . . . . .	362,426		362,426	
c	Accounting . . . . .	324,354		324,354	
d	Lobbying . . . . .	387,740		387,740	
e	Professional fundraising See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .	142,500		142,500	
g	Other . . . . .	3,937,144	1,579,591	2,357,553	
12	Advertising and promotion . . . . .	287,907		287,907	
13	Office expenses . . . . .	1,787,805	741,103	1,046,702	
14	Information technology . . . . .	11,502,766	11,248,195	254,571	
15	Royalties . . . . .				
16	Occupancy . . . . .	2,243,297	1,417,812	825,485	
17	Travel . . . . .	161,995	59,590	102,405	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	229,268	158,509	70,759	
20	Interest . . . . .	739,118	739,118		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	6,338,363	6,192,303	146,060	
23	Insurance . . . . .	26,754		26,754	
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	MINOR PROJECT COSTS	54,830	54,750	80	
b	REPAIRS & MAINTENANCE	47,907	47,435	472	
c	MISCELLANEOUS	33,444	401	33,043	
d	DIETARY SUPPLIES	10,599	2,203	8,396	
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	51,438,277	35,203,163	16,235,114	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .				1	122,270
	2	Savings and temporary cash investments . . . . .			3,915,834	2	2,004,473
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			1,206,466	4	1,452,398
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .				7	
	8	Inventories for sale or use . . . . .				8	
	9	Prepaid expenses and deferred charges . . . . .			1,594,304	9	1,842,135
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	146,888,795	94,190,701	10c	94,500,364
	b	Less accumulated depreciation . . . . .	10b	52,388,431			
	11	Investments—publicly traded securities . . . . .			28,349,218	11	36,149,753
	12	Investments—other securities See Part IV, line 11 . . . . .			186,000	12	456,000
	13	Investments—program-related See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets See Part IV, line 11 . . . . .			6,802,920	15	7,715,874
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .			136,245,443	16	144,243,267
Liabilities	17	Accounts payable and accrued expenses . . . . .			8,042,411	17	7,687,078
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .			17,369	19	17,716
	20	Tax-exempt bond liabilities . . . . .			17,502,850	20	15,301,800
	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 . . . . .			21,480,000	23	20,470,000
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities Complete Part X of Schedule D . . . . .			17,815,404	25	20,287,316
	26	Total liabilities. Add lines 17 through 25 . . . . .			64,858,034	26	63,763,910
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets . . . . .			71,387,409	27	80,479,357
	28	Temporarily restricted net assets . . . . .				28	
	29	Permanently restricted net assets . . . . .				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	Total net assets or fund balances . . . . .			71,387,409	33	80,479,357
	34	Total liabilities and net assets/fund balances . . . . .			136,245,443	34	144,243,267

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

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
<b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .	Yes	
<b>c</b> If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . .	Yes	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .	Yes	
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	Yes	

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
MEMORIAL HEALTH SYSTEM

Employer identification number  
37-1110690

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☒

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☒

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☒

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

11g(i)

Yes

No

(ii) a family member of a person described in (i) above?

11g(ii)

Yes

No

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

11g(iii)

Yes

No

h

☐

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									1,400,000

For Paperwork Reduction Act Notice, see the Instructions for Form 990

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2009

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2008 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		



**Part IV**

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

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2009

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 MEMORIAL HEALTH SYSTEM	Employer identification number 37-1110690
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)  
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
<b>1</b>	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	<b>a</b> Volunteers?		No	
	<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	<b>c</b> Media advertisements?		No	
	<b>d</b> Mailings to members, legislators, or the public?		No	
	<b>e</b> Publications, or published or broadcast statements?		No	
	<b>f</b> Grants to other organizations for lobbying purposes?		No	
	<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		
	<b>j</b> Total lines 1c through 1i			387,740
<b>2a</b>	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b>	If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b>	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b>	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a	Current year		
b	Carryover from last year		
c	Total		
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	MEMORIAL HEALTH SYSTEM ENGAGES LOBBYISTS TO ASSIST IT IN SECURING FEDERAL GRANTS AND MONITORING STATE REGULATIONS IN SUPPORT OF FURTHERING THE MEMORIAL HEALTH SYSTEM MISSION, WHICH IS "TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE" THIS INCLUDES ASSISTING MEMORIAL HEALTH SYSTEM IN DEVELOPING PRESENTATIONS TO THE ILLINOIS CONGRESSIONAL DELEGATION REQUESTING APPROPRIATIONS FOR PRIORITY PROJECTS INVOLVING LOCAL PATIENT SAFETY, QUALITY IMPROVEMENT AND IMPROVED LOCAL ACCESS TO MEDICAL CARE THE LOBBYISTS ALSO ASSIST MEMORIAL IN COMMUNICATING THE IMPORTANCE OF ADEQUATE MEDICAID FUNDING IN SUPPORT OF THE SUBSTANTIAL SERVICES MEMORIAL'S AFFILIATES PROVIDE TO THOSE IN POVERTY AND IN MONITORING LEGISLATIVE AND REGULATORY DEVELOPMENTS THAT WOULD AFFECT MEMORIAL HEALTH SYSTEM'S ABILITY TO CONTINUE DELIVERING ITS ALREADY SUBSTANTIAL COMMUNITY BENEFIT

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
MEMORIAL HEALTH SYSTEM

Employer identification number  
37-1110690

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

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

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2009

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

b

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

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

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .	251,493	17,769,672		18,021,165
b Buildings . . . . .	35,915,103	36,768,431	13,588,242	59,095,292
c Leasehold improvements . . . . .				0
d Equipment . . . . .	1,279,709	46,472,437	37,961,093	9,791,053
e Other . . . . .	768,159	7,663,791	839,096	7,592,854
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				94,500,364



Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Ident if ier	Return Reference	Explanation
Part X	Description of Uncertain Tax Positions Under FIN 48	Effective October 1, 2008, Memorial Health System adopted guidance provided by the Recognition Subsection of the Income Taxes Topic of the FASB Accounting Standards Codification. This subtopic prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Adoption of this guidance did not have a material impact on the consolidated balance sheets, consolidated statements of operations and changes in net assets, and consolidated statements of cash flows.



Name of the organization  
MEMORIAL HEALTH SYSTEM

Employer identification number  
37-1110690

Part I

General Information on Grants and Assistance

- 1

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

Yes

No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Central Illinois Foodbank 2000 East Moffat Street Springfield, IL 62702	371106465	501(c)(3)	6,414				Provide support to organization that provides food to the Springfield area community
Greater Springfield Chamber of Commerce1011 S Second Street Springfield, IL 62704	370710280	501(c)(6)	50,000				Participate in a public and private economic growth partnership led by the Chamber of Commerce
Boys and Girls Club of Springfield300 S Fifteenth Street Springfield, IL 62703	370752849	501(c)(3)	5,000				Provide support for health and hygiene related projects
Southern Illinois University School of MedicinePO BOX 19602 springfield, IL 62702	376005961	501(a)(1)	6,000				Provide support for a health education event
United Way of Central Illinois Inc1999 West Wabash Avenue Suite 107 Springfield, IL 62704	370716060	501(c)(3)	103,339				Provide support to the United Way Community Fund which provides essential services, including health care, food, shelter, and victim services, to residents of Central Illinois

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

[illegible]

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

[illegible]

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
MEMORIAL HEALTH SYSTEM

Employer identification number  
  
37-1110690

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div>		
	<div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div>		
	<div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div>		
	<div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	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		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div></div>		
	<div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div>		
	<div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	Yes
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	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Edgar J Curtis Ex-Officio	(i)	564,365	139,581	6,112	361,273	30,443	1,101,774	0
	(ii)	0	0	0	0	0	0	0
Robert W Kay	(i)	347,709	77,533	11,619	192,700	39,297	668,858	0
	(ii)	0	0	0	0	0	0	0
Forrest G Hester	(i)	254,426	153,798	1,152	33,621	28,717	471,714	0
	(ii)	0	0	0	0	0	0	0
MITCHELL L JOHNSON	(i)	238,306	147,187	4,611	26,004	30,917	447,025	0
	(ii)	0	0	0	0	0	0	0
ELAINE L YOUNG	(i)	169,659	79,058	48	26,914	12,098	287,777	0
	(ii)	0	0	0	0	0	0	0
DOUGLAS RAHN	(i)	0	0	0	0	0	0	0
	(ii)	347,657	182,183	6,130	56,212	29,744	621,926	0
DAVID GRAHAM MD	(i)	308,023	118,821	0	41,465	30,296	498,605	0
	(ii)	0	0	0	0	0	0	0
KEVIN R ENGLAND	(i)	220,924	96,739	438	19,541	41,361	379,003	0
	(ii)	0	0	0	0	0	0	0
ANNA N EVANS	(i)	218,849	77,897	0	45,979	13,039	355,764	0
	(ii)	0	0	0	0	0	0	0
EDWARD MCDOWALL	(i)	160,193	67,627	552	23,846	18,198	270,416	0
	(ii)	0	0	0	0	0	0	0
ROBERT T CLARKE	(i)	0	0	2,385,333	0	0	2,385,333	0
	(ii)	0	0	0	0	0	0	0
Mark E Weaver MD	(i)	395,835	88,686	91,870	77,341	5,361	659,093	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4a	Mark Weaver, M D , terminated employment with MHS effective September 30, 2009. As a result, he received severance pay in 2009 of \$76,747.20. The terms and conditions of his severance included important covenants and restrictions of substantial value to MHS, including a general release and waiver of any and all claims as well as confidentiality requirements. Part I, Line 4b The organization provides certain supplemental retirement benefits to the following officers and key employees: Edgar J. Curtis, \$353,433; Robert W. Kay, \$184,860; Douglas L. Rahn, \$48,372; Forrest G. Hester, \$25,781; Mitchell L. Johnson, \$18,515; Elaine L. Young, \$21,527; Kevin R. England, \$12,884; Anna N. Evans, \$38,780; Mark E. Weaver, M D , \$69,501; and David Graham, M D , \$33,625. These benefits are provided through a nonqualified deferred compensation plan, under which the benefits being earned are subject to a "substantial risk of forfeiture." The supplemental retirement benefits are structured to provide a retention incentive that has been determined by the Leadership Compensation Committee of the Board of Directors of Memorial Health System to be of substantial value to the organization. To become entitled to the benefits provided, each covered employee must meet substantial requirements relating to further employment. Until those requirements are satisfied, if ever, the employee is not entitled to these amounts. If the employee were to have terminated employment voluntarily in the year to which this return applies and not met these substantial requirements, these supplemental retirement benefits would have been forfeited. These supplemental retirement benefits are part of a retirement program that provides retirement income for all years of service that the employee provides to the organization. Accordingly, any retirement benefits should be viewed as applying to the entire length of the employee's service. The Leadership Compensation Committee of the MHS Board approves all retirement benefits, together with all other forms of compensation and benefits for these and other senior leaders, in a manner intended to qualify for the "rebuttable presumption of reasonableness" under federal income tax law.
	Part I, Line 7	Members of senior management receive incentive compensation under the annual incentive compensation plans sponsored by Memorial Health System. These amounts are included in Schedule J, Part II, Column (B)(ii). The plans are designed to condition a portion of compensation on performance against pre-determined organizational goals approved in advance by the Executive Committee of the Board of Directors of Memorial Health System. The Leadership Compensation Committee of the Board has reviewed the reasonableness of all such payments, and has concluded, as the result of a process that is designed to qualify for the rebuttable presumption of reasonableness under Federal tax law, that all such amounts are reasonable and do not exceed fair market value for the services provided.

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
MEMORIAL HEALTH SYSTEM

Employer identification number  
37-1110690

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	ILLINOIS HEALTH FACILITIES AUTHORITY	36-2780046	45200P2U4	12-17-2003	31,000,000	See Schedule O		X		X
B	Illinois Finance Authority	86-1091967	45200FJ59	12-22-2009	147,401,639	See Schedule O		X		X

Part II

Proceeds

1	Total proceeds of issue	A		B		C		D		E	
		31,091,579		147,496,704							
2	Gross proceeds in reserve funds	50,936,634		50,936,634							
3	Proceeds in refunding or defeasance escrows	11,406,560									
4	Other unspent proceeds										
5	Issuance costs from proceeds	439,744		1,350,000							
6	Working capital expenditures from proceeds										
7	Capital expenditures from proceeds	19,245,275		95,210,070							
8	Year of substantial completion	2004									
		Yes	No								
9	Were the bonds issued as part of a current refunding issue?	X			X						
10	Were the bonds issued as part of an advance refunding issue?		X		X						
11	Has the final allocation of proceeds been made?	X		X							
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X							
3b	Are there any research agreements with respect to the financed property which may result in private business use?	X		X							
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 200 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	1 600 %		1 200 %							
6	Total of lines 4 and 5	1 600 %		1 400 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X		X						

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X			X						
2	Is the bond issue a variable rate issue?	X			X						
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X			X						
b	Name of provider	Piper Jaffray & Co		NA							
c	Term of hedge	12 0000000000000									
4a	Were gross proceeds invested in a GIC?		X		X						
b	Name of provider	NA		NA							
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X						
6	Did the bond issue qualify for an exception to rebate?		X		X						

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  
MEMORIAL HEALTH SYSTEM

Employer identification number  
37-1110690

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total . . . . . ▶ \$ _____										

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
Springfield Electric	Randall S Germeraad, owns >5% interest	145,400	routine parts purchases at FMV		No
Springfield Clinic LLP	William D Putman, M D , Board Member and Employee	1,157,231	Fees for the services provided		No



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 MEMORIAL HEALTH SYSTEM	Employer identification number 37-1110690
--	--

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		Mark H. Ferguson and William R. Enlow, both Memorial Health System Board Members, are partners at the same law firm, Sorling, Northrup, Hanna, Cullen & Cochran, Ltd.

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  
MEMORIAL HEALTH SYSTEM

Employer identification number  
37-1110690

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
See Additional Data Table					

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No

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
MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC 701 NORTH FIRST STREET SPRINGFIELD, IL62781 37-1190216	PROVIDE DURABLE MEDICAL EQUIPMENT AND SUPPLIES TO PATIENTS	IL	N/A	C			
HEALTHCARE NETWORK ASSOCIATES OF SANGAMON 720 NORTH BOND ST SPRINGFIELD, IL62702 36-4156479	HEALTHCARE ACTIVITIES	IL	N/A	C			
HEALTHCARE NETWORK ASSOCIATES OF LINCOLN 720 NORTH BOND ST SPRINGFIELD, IL62702 37-1331904	HEALTHCARE ACTIVITIES	IL	N/A	C			
HEALTHCARE NETWORK ASSOCIATES OF CENTRAL ILLINOIS 720 NORTH BOND ST SPRINGFIELD, IL62702 37-1331905	HEALTHCARE ACTIVITIES	IL	N/A	C			

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

Yes

1g

Yes

1h

No

1i

Yes

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

Yes

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) Memorial Health Ventures	A	439,210
(2) Memorial Home Services	A	113,526
(3) Memorial Medical Center	A	2,153,717
(4) Memorial Physician Services	A	1,029,951
(5)		
(6)		

Schedule R (Form 990) 2009

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

[illegible]

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		The Corporation contains 108 individual members w ho electe the board of directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		The individual members of the Corporation have the power and authority to elect the Corporation's board of directors, as well as the power and authority to remove member elected directors

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		Individual members of the Corporation have no voting rights with respect to the management, control or operation of the affairs and properties of the Corporation. Only the board of directors can make decisions in that regard.



Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		IRS form 990, including all schedules and attachments, are provided to the board of directors for review

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		All officers, directors and key employees of the Corporation are required to review the Conflict of Interest Policy and complete a specific disclosure statement which is attached to the policy. Memorial Health System monitors and enforces its Conflict of Interest Policy by identifying any potential conflicts at the time each meeting agenda is prepared. Any officer or director who has a conflict is notified of such conflict, as well as their obligation to abstain from the discussion and vote on any conflicted issues(s). Such abstention(s), if required, are documented in the minutes of each meeting. Board members are also required to update their Conflict of Interest disclosure statements promptly in the event of any change in personal or business activities that would require such disclosure.

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		<p>The Memorial Health System board of directors has appointed a Leadership Compensation Committee made up of independent members of the Board of Directors, and has delegated to it the responsibility of administering, overseeing and approving all forms of compensation and benefits provided to executive leadership, including the Chief Executive Officer and the Chief Financial Officer. The board has adopted a Leadership Compensation Philosophy Statement describing the role and responsibilities of the Committee. This philosophy expressly states the Committee's intent, on behalf of the Corporation, to take all the steps necessary to qualify for the rebuttable presumption of reasonableness under the federal income tax law intermediate sanctions rules. The Committee analyzes every element of compensation (including current, incentive and deferred compensation) and benefits (including qualified and non-qualified benefits). The Committee conducts its review and approval process at least annually, and approves compensation and benefits only to the extent that the Committee has concluded that the compensation and benefits constitute no more than reasonable compensation for each executive. In connection with the most recent review and approval process, the Committee received professional advice from an independent consultant and outside legal counsel. The Committee consists entirely of disinterested members of the board or disinterested Committee members who under state corporate law may serve on such a committee. The Committee works with its compensation consultant to prepare and review in advance comprehensive data showing the compensation provided by similarly situated organizations for functionally similar positions. The Committee also prepares a timely and thorough written record of its procedural criteria necessary to qualify for the rebuttable presumption of reasonableness under the federal income tax law intermediate sanctions rules.</p>

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		The governing documents of Memorial Health System, such as Articles of Incorporation and any Amendments thereto, are available to the general public through the Illinois Secretary of State's Office. These governing documents, as well as the bylaws, conflict of interest policy and financial statements, are available upon request from the Corporation.

Identifier	Return Reference	Explanation
Schedule K Supplemental Information		<p>Schedule K One Schedule K was completed at the parent level only. However, each affiliate is still showing its allocation of the liability on the balance sheet. Schedule K Part I, Column (f) continuations. The purpose of the 2003 issue was to refund the 1993 Series issued on 8/5/93 in the amount of \$11,406,560. Proceeds were also used to pay issuance expenses and to purchase equipment and software for Memorial Health System. Proceeds were also used for construction and building improvements and to construct and equip an outpatient psychiatric facility. The purpose of the 2009 issue was to pay issuance costs, construct and equip a replacement hospital facility for Abraham Lincoln Memorial Hospital, renovate and remodel Taylorville Memorial Hospital, renovate, remodel, and equip Memorial Medical Center, construct a parking garage adjacent to Memorial Medical Center, construct and equip a wound care center, renovate a pain clinic, construct and equip a consolidated imaging services area, purchase various parcels of real property in Springfield, IL and Taylorville, IL, construct and equip a space for physical therapy within the new YMCA in Springfield, IL, and routine capital expenditures. Schedule K Part II, Line 5. For the 2003 issuance, \$329,438 was used for issuance costs and \$110,306 relates to credit enhancement. For the 2009 issuance, the entire amount of \$1,350,000 was used for issuance costs. Schedule K Part II, Line 8. For the 2009 issuance, as of September 30, 2010 the projects are not substantially complete. Schedule K Part II, Line 11. For the 2009 issuance, the balance of what has not been spent is in reserve funds. Schedule K Part III, Line 3c. Memorial Health System's internal counsel routinely reviews management and service contracts and research agreements relating to financed property. Schedule K Part III, Line 5. Issuance costs are included in these percentages. Schedule K Part III, Line 7. Memorial Health System adopted a post-issuance compliance policy in fiscal year 2011. Schedule K Part IV, Line 1. The Arbitrage Rebate filing is only required every 5 years, the 2009 issuance has not yet met this requirement. Schedule K Part IV, Line 5. Bond draws are not final as of September 30, 2010 for the 2009 issuance.</p>

Identifier	Return Reference	Explanation
		Schedule R, Part V, Line 2 Fair Market value for rental income received Memorial Health System collected rental income from affiliates during the fiscal year ended September 30, 2010 The values listed in Schedule R, Part V, Line 2 were determined using fair market value

Software ID:

Software Version:

EIN: 37-1110690

Name: MEMORIAL HEALTH SYSTEM

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
MEMORIAL MEDICAL CENTER  701 NORTH FIRST ST SPRINGFIELD, IL627810001 37-0661220	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A)(III)	N/A
MEMORIAL HEALTH VENTURES  701 NORTH FIRST ST SPRINGFIELD, IL627810001 36-3492266	HEALTHCARE ACTIVITIES	IL	501(C)(3)	509(A)(3) TYPE II	N/A
ABRAHAM LINCOLN MEMORIAL HOSPITAL  315 EIGHTH ST LINCOLN, IL62656 37-0723793	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A)(III)	N/A
TAYLORVILLE MEMORIAL HOSPITAL  201 EAST PLEASANT TAYLORVILLE, IL62568 37-0661250	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A)(III)	N/A
MEMORIAL HOME SERVICES  720 NORTH BOND SPRINGFIELD, IL627024915 37-0714225	HOME HEALTH, HOSPICE, AND CONTINUOUS CARE SERVICES	IL	501(C)(3)	509(A)(2)	N/A
MEMORIAL PHYSICIAN SERVICES  701 NORTH FIRST ST SPRINGFIELD, IL627810001 37-1181194	HEALTH CLINICS	IL	501(C)(3)	509(A)(3) TYPE II	N/A
MEMORIAL MEDICAL CENTER FOUNDATION  1 MEMORIAL PLAZA SPRINGFIELD, IL62781 37-1110301	GRANTS TO HOSPITALS, OTHER CHARITABLE ORGANIZATIONS, AND SCHOLARSHIPS	IL	501(C)(3)	170(B)(1)(A)(V)	N/A
TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION  201 EAST PLEASANT TAYLORVILLE, IL62568 37-1337485	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	509(A)(3) TYPE III-FI	N/A
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS  710 NORTH EIGHTH ST SPRINGFIELD, IL627026395 37-0646367	TRAINING, PSYCHIATRIC, AND RESIDENT SERVICES FOR MENTALLY ILL AND DISABLED	IL	501(C)(3)	170(B)(1)(A)(VI)	N/A
ABRAHAM LINCOLN HOSPITAL FOUNDATION  315 EIGHTH ST LINCOLN, IL62656 36-3492268	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	170(B)(1)(A)(VI)	N/A

Additional Data

Software ID:  
Software Version:  
EIN: 37-1110690  
Name: MEMORIAL HEALTH SYSTEM

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section )	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
MEMORIAL MEDICAL CENTER	370661220	3		No	Yes		Yes		0
MEMORIAL HOME SERVICES NFP	370714225	9		No	Yes		Yes		1400000
ABRAHAM LINCOLN MEMORIAL HOSPITAL	370723793	3		No	Yes		Yes		0
TAYLORVILLE MEMORIAL HOSPITAL	370661250	3		No	Yes		Yes		0
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	370646367	7		No	Yes		Yes		0
SPRINGFIELD RESIDENTIAL SERVICES	371298589	9		No	Yes		Yes		0



Additional Data

Software ID:  
Software Version:  
EIN: 37-1110690  
Name: MEMORIAL HEALTH SYSTEM

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

4d. Other program services					
(Code	) (Expenses \$	2,233,777	including grants of \$	178,253 ) (Revenue \$	0 )

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				
Joseph M Hurwitz Chairman	2 00	X		X				0	0	0	
James P Bruner 1st Vice Chairman	1 70	X		X				0	0	0	
John D Blackburn 2ND VICE CHAIRMAN	1 70	X		X				0	0	0	
Carol J HANSEN Posegate Secretary	80	X		X				0	0	0	
Dwight H O'Keefe III Treasurer	1 50	X		X				0	0	0	
Mark H Ferguson Immediate Past Chairman	1 60	X						0	0	0	
Clifton R Baxter Member	1 10	X						0	0	0	
RICHARD LEVI Member	80	X						0	0	0	
William R Enlow Member	1 00	X						0	0	0	
Randall S Germeraad Member	80	X						0	0	0	
Nina M Harris Member	1 00	X						0	0	0	
Louis G Lower II Member	80	X						0	0	0	
HOWARD A PETERS III Member	70	X						0	0	0	
Diane K Rutledge PhD Member	1 00	X						0	0	0	
SERGIO A PECORI Member	1 10	X						0	0	0	
WILLIAM D PUTMAN MD Member	90	X						0	0	0	
Edgar J Curtis Ex-O ffi PRESIDENT & CEO	50 00	X		X				710,058	0	391,716	
Robert W Kay Sr VP, CFO, & Asst Treas	50 00			X				436,861	0	0	
Forrest G Hester Senior VP & CPO	50 00				X			409,376	0	62,338	
MITCHELL L JOHNSON Sr VP Mrktng & PLANNING	50 00				X			390,104	0	56,921	
ELAINE L YOUNG VP Finance	50 00				X			248,765	0	39,012	
DOUGLAS RAHN SR VP AND COO	50 00				X			0	535,970	85,956	
DAVID GRAHAM MD Senior VP & CIO	50 00				X			426,844	0	71,761	
KEVIN R ENGLAND VP BUSIness DeVeLopMeNT	50 00					X		318,101	0	60,902	
ANNA N EVANS VP & GENERAL COUNSEL	50 00					X		296,746	0	59,018	

**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			
EDWARD MCDOWALL VP MARKETING & COMMUNICA	50 00					X		228,372	0	42,044
ROBERT T CLARKE FORMER PRESIDENT & CEO	0 00						X	2,385,333	0	0
Mark E Weaver MD Former Senior VP & CMO	0 00						X	576,391	0	82,702