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Form 990

## Return of Organization Exempt From Income Tax

2012

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung  
benefit trust or private foundation)

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

## A For the 2012 calendar year, or tax year beginning 07-01-2012, 2012, and ending 06-30-2013

B Check if applicable	C Name of organization MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC		D Employer identification number 62-1839548
<input type="checkbox"/> Address change	Doing Business As		
<input type="checkbox"/> Name change			
<input type="checkbox"/> Initial return	Number and street (or P O box if mail is not delivered to street address)	Room/suite	E Telephone number (423) 495-2525
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return	City or town, state or country, and ZIP + 4 CHATTANOOGA, TN 37404		
<input type="checkbox"/> Application pending			G Gross receipts \$ 7,049,295

F Name and address of principal officer JENNIFER NICELY 2525 DE SALES AVENUE CHATTANOOGA, TN 37404	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
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J Website: ► WWW MEMORIAL ORG	H(c) Group exemption number ► 0928
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K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►	L Year of formation 2001	M State of legal domicile TN
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## Part I Summary

1 Briefly describe the organization's mission or most significant activities MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC 'S SOLE PURPOSE IS TO RAISE FUNDS AND AWARENESS FOR MEMORIAL HEALTH CARE SYSTEM, INC (MHCS) FUNDS RAISED ALLOW MHCS TO EXTEND ITS MISSION FURTHER INTO THE COMMUNITY		
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets		
3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3	26
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	22
5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) . . . . .	5	0
6 Total number of volunteers (estimate if necessary) . . . . .	6	554
7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	-8
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b	-8

8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
	6,268,930	6,452,609
9 Program service revenue (Part VIII, line 2g) . . . . .		0
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .		48,927
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .		112,225
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .		6,430,082
		6,803,339

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	Prior Year	Current Year
	1,901,359	728,627
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) . . . . .		0
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0
b Total fundraising expenses (Part IX, column (D), line 25) ► 542,088		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .		723,557
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .		2,624,916
19 Revenue less expenses Subtract line 18 from line 12 . . . . .		3,805,166
		5,323,827

20 Total assets (Part X, line 16) . . . . .	Beginning of Current Year	End of Year
	8,971,428	14,834,498
21 Total liabilities (Part X, line 26) . . . . .		6,175,548
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .		2,795,880
		8,174,214

## Part II Signature Block

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

Sign Here	Signature of officer CHERYL SADRO SVP/CFO Type or print name and title	2014-03-26 Date
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Paid Preparer Use Only	Print/Type preparer's name Pam Krohn	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN P01210500
	Firm's name ► CATHOLIC HEALTH INITIATIVES			Firm's EIN ► 47-0617373
	Firm's address ► 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112			Phone no (303) 298-9100

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

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III **1** Briefly describe the organization's mission

THE ORGANIZATION'S MISSION IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH BY BRINGING IT NEW LIFE, ENERGY AND VIABILITY IN THE 21ST CENTURY. FIDELITY TO THE GOSPEL URGES US TO EMPHASIZE HUMAN DIGNITY AND SOCIAL JUSTICE AS WE MOVE TOWARD THE CREATION OF HEALTHIER COMMUNITIES

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

If "Yes," describe these new services on Schedule O

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

If "Yes," describe these changes on Schedule O

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code  ) (Expenses \$ 729,327 including grants of \$ 728,627 ) (Revenue \$ 0 )  
SEE SCHEDULE O

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

10 lines for additional information

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

10 lines for additional information

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

**4e** Total program service expenses  729,327

**Part IV Checklist of Required Schedules**

**1** Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

**2** Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

**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

**4** **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

**5** Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

**6** Did the organization maintain any donor advised funds or any similar funds or accounts for which 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

**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

**8** Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

**9** Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, 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

**10** Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

**11** If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

**a** Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI

**b** 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

**c** 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

**d** 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

**e** Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

**f** 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 (ASC 740)? If "Yes," complete Schedule D, Part XI

**12a** Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII

**b** Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional

**13** Is the organization a school described in section 170(b)(1)(A)(II)? If "Yes," complete Schedule E

**14a** Did the organization maintain an office, employees, or agents outside of the United States?

**b** Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV

**15** Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV

**16** Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV

**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 (see instructions)

**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

**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

**20a** Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H

**b** If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
<b>1</b>	Yes	
<b>2</b>	Yes	
<b>3</b>		No
<b>4</b>		No
<b>5</b>		
<b>6</b>	Yes	
<b>7</b>		No
<b>8</b>	Yes	
<b>9</b>		No
<b>10</b>	Yes	
<b>11a</b>		No
<b>11b</b>	Yes	
<b>11c</b>		No
<b>11d</b>		No
<b>11e</b>	Yes	
<b>11f</b>	Yes	
<b>12a</b>		No
<b>12b</b>	Yes	
<b>13</b>		No
<b>14a</b>		No
<b>14b</b>		No
<b>15</b>		No
<b>16</b>		No
<b>17</b>		No
<b>18</b>	Yes	
<b>19</b>		No
<b>20a</b>		No
<b>20b</b>		

**Part IV Checklist of Required Schedules (continued)**

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

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	<b>1a</b>	0	
<b>b</b> Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	<b>1b</b>	0	
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>		
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	0	
<b>b</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 (see instructions)	<b>2b</b>		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	No	
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b>		
<b>4a</b> 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)?	<b>4a</b>	No	
<b>b</b> If "Yes," enter the name of the foreign country See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No	
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No	
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>		
<b>6a</b> 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 as charitable contributions?	<b>6a</b>	No	
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>	<b>7a</b>	Yes	
<b>a</b> 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?	<b>7b</b>	Yes	
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7c</b>	No	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7d</b>		
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	<b>7e</b>	No	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7f</b>	No	
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7g</b>		
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7h</b>		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>8</b>	No	
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>9a</b>	No	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>	<b>9b</b>	No	
<b>10 Section 501(c)(7) organizations.</b> Enter	<b>10a</b>		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	<b>10b</b>		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
<b>11 Section 501(c)(12) organizations.</b> Enter	<b>11a</b>		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>11b</b>		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	<b>13a</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O	<b>13b</b>		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	<b>13c</b>		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	No	
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>		

**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.

Check if Schedule O contains a response to any question in this Part VI

### Section A. Governing Body and Management

			Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year	<b>1a</b>	26		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent	<b>1b</b>	22		
<b>2</b> 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?	<b>2</b>		No	
<b>3</b> 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?	<b>3</b>		No	
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	<b>4</b>		No	
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?	<b>5</b>		No	
<b>6</b> Did the organization have members or stockholders?	<b>6</b>	Yes		
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	<b>7a</b>	Yes		
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	<b>7b</b>	Yes		
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	<b>8a</b>	Yes		
<b>a</b> The governing body?	<b>8b</b>	Yes		
<b>b</b> Each committee with authority to act on behalf of the governing body?	<b>9</b>	No		
<b>9</b> 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				

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

		Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?	<b>10a</b>	No	
<b>b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	<b>10b</b>		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	<b>11a</b>	Yes	
<b>b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990			
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	<b>12a</b>	Yes	
<b>b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	<b>12b</b>	Yes	
<b>c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	<b>12c</b>	Yes	
<b>13</b> Did the organization have a written whistleblower policy?	<b>13</b>	Yes	
<b>14</b> Did the organization have a written document retention and destruction policy?	<b>14</b>	Yes	
<b>15</b> 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?	<b>15a</b>	No	
<b>a</b> The organization's CEO, Executive Director, or top management official	<b>15b</b>	No	
<b>b</b> Other officers or key employees of the organization			
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	<b>16a</b>	No	
<b>b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	<b>16b</b>		

### Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed  TN
- 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 made these available. Check all that apply  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization  
 CHERYL SADRO 2525 DE SALES AVENUE CHATTANOOGA, TN (423) 495-7878

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Check if Schedule O contains a response to any question in this Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

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

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

 Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Office	Key employee	Highest compensated	Former			
(1) ALEXIS BOGO CHAIR	3 00 0	X		X				0	0	0
(2) BILL STACY SECRETARY	3 00 0	X		X				0	0	0
(3) HOLLY HARWELL VICE CHAIR	3 00 0	X		X				0	0	0
(4) JAMES HOBSON MHCS PRESIDENT CEO	1 00 59 00	X		X				0	644,738	81,614
(5) JENNIFER NICELY EX-OFFICIO/CHIEF DEVELOPMNT OFF	50 00 0	X		X				0	131,003	31,653
(6) MARK ANDERSON MD MEMBER AT LARGE	3 00 37 00	X		X				0	110,535	21,172
(7) WARD PETTY TREASURER	3 00 0	X		X				0	0	0
(8) BETTYELYN SMITH BOARD MEMBER	1 00 0	X						0	0	0
(9) BOOFIE CRIMMINS BOARD MEMBER	1 00 0	X						0	0	0
(10) DAWN SHEA BOARD MEMBER	1 00 0	X						0	0	0
(11) DEBORAH EVERHART BOARD MEMBER	1 00 0	X						0	0	0
(12) JAMES WOOD BOARD MEMBER	1 00 0	X						0	0	0
(13) JIM KENNEDY BOARD MEMBER	1 00 0	X						0	0	0
(14) JIM VICK BOARD MEMBER	1 00 0	X						0	0	0
(15) KENNEDY FRIERSON BOARD MEMBER	1 00 0	X						0	0	0
(16) MARY STEWART LEWIS BOARD MEMBER	1 00 0	X						0	0	0
(17) MIKE WEBB BOARD MEMBER	1 00 0	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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	Instrumental trustee	Officer	Key employee	Highest compensated employee			
(18) MORGAN EVERETT BOARD MEMBER	1 00 0	X					0	0	0
(19) PETER HUNT MD BOARD MEMBER	1 00 0	X					0	0	0
(20) SANFORD SHARP MD BOARD MEMBER	1 00 0	X					0	7,250	0
(21) SCOTT MATTICE BOARD MEMBER	1 00 0	X					0	0	0
(22) SOPHIA BRIDGER BOARD MEMBER	1 00 0	X					0	0	0
(23) TAHNIKA RODRIGUEZ BOARD MEMBER	1 00 0	X					0	0	0
(24) TIM BALLARD BOARD MEMBER	1 00 0	X					0	0	0
(25) TONYA CAMMON BOARD MEMBER	1 00 0	X					0	0	0
(26) WILLIAM OELLERICH BOARD MEMBER/PHYSICIAN	1 00 54 00	X					0	689,332	43,024
(27) CHERYL A SADRO MHCS CFO	1 00 52 00		X				0	384,510	42,854
(28) CAROL NEWTON Former Officer	0 00 0 00				X		0	126,181	18,995
(29) DEBRA MOORE Former Officer	0 00 50 00				X		0	254,502	41,108
<b>1b Sub-Total . . . . .</b>									
<b>c Total from continuation sheets to Part VII, Section A . . . . .</b>									
<b>d Total (add lines 1b and 1c) . . . . .</b>							0	2,348,051	280,420

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

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

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

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

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b> Membership dues . . . . .	<b>1b</b>	525			
	<b>c</b> Fundraising events . . . . .	<b>1c</b>	375,722			
	<b>d</b> Related organizations . . . . .	<b>1d</b>	10,000			
	<b>e</b> Government grants (contributions)	<b>1e</b>	63,600			
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	6,002,762			
	<b>g</b> Noncash contributions included in lines 1a-1f \$					
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		6,452,609			
<b>Program Service Revenue</b>	<b>2a</b>	Business Code				
	<b>b</b>		0			
	<b>c</b>		0			
	<b>d</b>		0			
	<b>e</b>		0			
	<b>f</b> All other program service revenue		0	0	0	0
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .		0			
	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .		46,023		-8	46,031
<b>4</b> Income from investment of tax-exempt bond proceeds		0				
<b>5</b> Royalties . . . . .		0				
<b>6a</b> Gross rents	(i) Real	(ii) Personal				
<b>b</b> Less rental expenses	41,376					
<b>c</b> Rental income or (loss)	41,376	0				
<b>d</b> Net rental income or (loss) . . . . .			41,376		41,376	
<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
<b>b</b> Less cost or other basis and sales expenses	55,879					
<b>c</b> Gain or (loss)	55,879	0				
<b>d</b> Net gain or (loss) . . . . .			55,879		55,879	
<b>8a</b> Gross income from fundraising events (not including \$ 375,722 of contributions reported on line 1c) See Part IV, line 18 . . . . .						
<b>a</b>	171,325					
<b>b</b> Less direct expenses . . . . .	<b>b</b>	245,956				
<b>c</b> Net income or (loss) from fundraising events . . . . .			-74,631		-74,631	
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>					
<b>b</b> Less direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities . . . . .			0			
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>					
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from sales of inventory . . . . .			0			
<b>Miscellaneous Revenue</b>		Business Code				
<b>11a</b> GIFT SHOP		453220	282,083		282,083	
<b>b</b>			0			
<b>c</b>			0			
<b>d</b> All other revenue . . . . .			0	0	0	
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .		282,083				
<b>12</b> <b>Total revenue.</b> See Instructions . . . . .		6,803,339	0	-8	350,738	

**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)

Check if Schedule O contains a response to any question in this Part IX 

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	675,627	675,627		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	53,000	53,000		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	0			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	0			0
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	0			
10 Payroll taxes	0		0	0
11 Fees for services (non-employees)				
a Management	0			
b Legal	0			
c Accounting	0			
d Lobbying	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	364,093	0	33,793	330,300
12 Advertising and promotion	103,797			103,797
13 Office expenses	111,280		55,640	55,640
14 Information technology	0			
15 Royalties	0			
16 Occupancy	0			
17 Travel	8,405		8,405	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	7,432		7,432	
20 Interest	0			
21 Payments to affiliates	77,640		77,640	
22 Depreciation, depletion, and amortization	0			
23 Insurance	0			
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O )				
a AUXILIARY COST OF GOODS SOLD	52,351			52,351
b DUES AND SUBSCRIPTIONS	4,342		4,342	
c				
d				
e All other expenses	21,545	700	20,845	0
<b>25 Total functional expenses.</b> Add lines 1 through 24e	1,479,512	729,327	208,097	542,088
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ► if following SOP 98-2 (ASC 958-720)	0			

**Part X Balance Sheet**Check if Schedule O contains a response to any question in this Part X 

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing	280,284	<b>1</b> 350,387
	2 Savings and temporary cash investments	226,150	<b>2</b>
	3 Pledges and grants receivable, net	6,485,223	<b>3</b>
	4 Accounts receivable, net	4	<b>4</b>
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	<b>5</b>
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	<b>6</b>
	7 Notes and loans receivable, net	0	<b>7</b>
	8 Inventories for sale or use	0	<b>8</b>
	9 Prepaid expenses and deferred charges	0	<b>9</b>
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	0	<b>10a</b>
	b Less accumulated depreciation	0	<b>10b</b>
		0	<b>10c</b>
	11 Investments—publicly traded securities	0	<b>11</b>
	12 Investments—other securities See Part IV, line 11	7,537,739	<b>12</b>
	13 Investments—program-related See Part IV, line 11	0	<b>13</b>
	14 Intangible assets	0	<b>14</b>
	15 Other assets See Part IV, line 11	234,999	<b>15</b>
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	14,834,498	<b>16</b>
Liabilities	17 Accounts payable and accrued expenses	16,520	<b>17</b>
	18 Grants payable	0	<b>18</b>
	19 Deferred revenue	87,757	<b>19</b>
	20 Tax-exempt bond liabilities	0	<b>20</b>
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	<b>21</b>
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	<b>22</b>
	23 Secured mortgages and notes payable to unrelated third parties	0	<b>23</b>
	24 Unsecured notes and loans payable to unrelated third parties	0	<b>24</b>
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	6,556,007	<b>25</b>
	<b>26 Total liabilities.</b> Add lines 17 through 25	6,660,284	<b>26</b>
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets	-4,804,753	<b>27</b>
	28 Temporarily restricted net assets	12,313,497	<b>28</b>
	29 Permanently restricted net assets	1,136,546	<b>29</b>
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	30 Capital stock or trust principal, or current funds	0	<b>30</b>
	31 Paid-in or capital surplus, or land, building or equipment fund	0	<b>31</b>
	32 Retained earnings, endowment, accumulated income, or other funds	0	<b>32</b>
	33 Total net assets or fund balances	8,174,214	<b>33</b>
	34 Total liabilities and net assets/fund balances	14,834,498	<b>34</b>

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	6,803,339
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	1,479,512
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	5,323,827
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	2,795,880
5	Net unrealized gains (losses) on investments . . . . .	5	54,507
6	Donated services and use of facilities . . . . .	6	
7	Investment expenses . . . . .	7	
8	Prior period adjustments . . . . .	8	
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	8,174,214

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response to any question in this Part XII 

	Yes	No
1 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		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	No
2b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	Yes
2c If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? 3b 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	3a	No
	3b	

**Additional Data**

**Software ID:** 12000266  
**Software Version:** v2012.1.0  
**EIN:** 62-1839548  
**Name:** MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

**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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee			
ALEXIS BOGO CHAIR	3 00 0	X		X			0	0	0
BILL STACY SECRETARY	3 00 0	X		X			0	0	0
HOLLY HARWELL VICE CHAIR	3 00 0	X		X			0	0	0
JAMES HOBSON MHCS PRESIDENT CEO	1 00 59 00	X		X			0	644,738	81,614
JENNIFER NICELY EX-OFFICIO/CHIEF DEVELOPMNT OFF	50 00 0	X		X			0	131,003	31,653
MARK ANDERSON MD MEMBER AT LARGE	3 00 37 00	X		X			0	110,535	21,172
WARD PETTY TREASURER	3 00 0	X		X			0	0	0
BETTYELYNNE SMITH BOARD MEMBER	1 00 0	X					0	0	0
BOOFIE CRIMMINS BOARD MEMBER	1 00 0	X					0	0	0
DAWN SHEA BOARD MEMBER	1 00 0	X					0	0	0
DEBORAH EVERHART BOARD MEMBER	1 00 0	X					0	0	0
JAMES WOOD BOARD MEMBER	1 00 0	X					0	0	0
JIM KENNEDY BOARD MEMBER	1 00 0	X					0	0	0
JIM VICK BOARD MEMBER	1 00 0	X					0	0	0
KENNEDY FRIERSON BOARD MEMBER	1 00 0	X					0	0	0
MARY STEWART LEWIS BOARD MEMBER	1 00 0	X					0	0	0
MIKE WEBB BOARD MEMBER	1 00 0	X					0	0	0
MORGAN EVERETT BOARD MEMBER	1 00 0	X					0	0	0
PETER HUNT MD BOARD MEMBER	1 00 0	X					0	0	0
SANFORD SHARP MD BOARD MEMBER	1 00 0	X					0	7,250	0
SCOTT MATTICE BOARD MEMBER	1 00 0	X					0	0	0
SOPHIA BRIDGER BOARD MEMBER	1 00 0	X					0	0	0
TAHNIKA RODRIGUEZ BOARD MEMBER	1 00 0	X					0	0	0
TIM BALLARD BOARD MEMBER	1 00 0	X					0	0	0
TONYA CAMMON BOARD MEMBER	1 00 0	X					0	0	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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
		Former Officer Or Director	Individual trustee Or Director	Officer Or Director	Highest compensated employee Or Director	Key employee Or Director			
WILLIAM OELLERICH BOARD MEMBER/PHYSICIAN	1 00 54 00	X					0	689,332	43,024
CHERYL A SADRO MHCS CFO	1 00 52 00			X			0	384,510	42,854
CAROL NEWTON Former Officer	0 00 0 00					X	0	126,181	18,995
DEBRA MOORE Former Officer	0 00 50 00					X	0	254,502	41,108

**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support****2012****Open to Public  
Inspection**

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.

Department of the Treasury  
Internal Revenue ServiceName of the organization  
MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

Employer identification number

62-1839548

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

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

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

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

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

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

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

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

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

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

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

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

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

e  a  Type I  b  Type II  c  Type III - Functionally integrated  d  Type III - Non-functionally integrated

f  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)

g  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

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

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

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

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

i  Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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 monetary support
<b>Total</b>						

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

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	1,092,109	1,921,852	3,871,048	2,318,184	6,617,609	15,820,802
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 <b>Total.</b> Add lines 1 through 3	1,092,109	1,921,852	3,871,048	2,318,184	6,617,609	15,820,802
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)						2,799,246
6 <b>Public support.</b> Subtract line 5 from line 4						13,021,556

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4	1,092,109	1,921,852	3,871,048	2,318,184	6,617,609	15,820,802
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	79,177	72,363	66,489	83,340	87,399	388,768
9 Net income from unrelated business activities, whether or not the business is regularly carried on	0	0	0	0		0
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	449,048	316,964	301,870	323,906	288,409	1,680,197
11 <b>Total support</b> (Add lines 7 through 10)						17,889,767
12 Gross receipts from related activities, etc (see instructions)					12	0
13 <b>First five years.</b> 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 <b>stop here</b> . . . . .						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	72 780 %
15 Public support percentage for 2011 Schedule A, Part II, line 14	15	77 120 %
16a <b>33 1/3% support test—2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►✓
b <b>33 1/3% support test—2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►□
17a <b>10%-facts-and-circumstances test—2012.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		►□
b <b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		►□
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		►□

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12 )						
<b>14 First five years.</b> 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 <b>stop here</b>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15
16 Public support percentage from 2011 Schedule A, Part III, line 15	16

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18
<b>19a 33 1/3% support tests—2012.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>b 33 1/3% support tests—2011.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions	

**Part IV Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

**Facts And Circumstances Test**

**Explanation**

OTHER INCOME, SCHEDULE A, PART II, LINE 10, DESCRIPTION - GROSS INCOME FROM FUNDRAISING EVENTS, COLUMN A - 333470, COLUMN B - 224474, COLUMN C - 182645, COLUMN D - 213455, COLUMN E - 171325, COLUMN F - 1125369, DESCRIPTION - GIFT SHOP, COLUMN A - 114263, COLUMN B - 92490, COLUMN C - 119225, COLUMN D - 110451, COLUMN E - 117084, COLUMN F - 553513, DESCRIPTION - MISCELLANEOUS INCOME, COLUMN A - 1315, COLUMN B - , COLUMN C - , COLUMN D - , COLUMN E - , COLUMN F - 1315,,

**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements****2012****Open to Public  
Inspection**

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b  
 ► Attach to Form 990. ► See separate instructions.

Department of the Treasury

Internal Revenue Service

**Name of the organization**

MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

**Employer identification number**

62-1839548

**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			1
2 Aggregate contributions to (during year)			3,362
3 Aggregate grants from (during year)			71,188
4 Aggregate value at end of year			0

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?  Yes  No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education) <input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
a Total number of conservation easements	<b>Held at the End of the Year</b>
2a	
2b	
2c	
2d	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____	
4 Number of states where property subject to conservation easement is located ► _____	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? <input type="checkbox"/> Yes <input type="checkbox"/> No	
9 In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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	► \$ _____ 0
(ii) Assets included in Form 990, Part X	► \$ _____ 234,999
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 (ASC 958) relating to these items	
a Revenues included in Form 990, Part VIII, line 1	► \$ _____
b Assets included in Form 990, Part X	► \$ _____

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

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

<b>a</b> <input checked="" type="checkbox"/> Public exhibition	<b>d</b> <input type="checkbox"/> Loan or exchange programs
<b>b</b> <input type="checkbox"/> Scholarly research	<b>e</b> <input type="checkbox"/> Other
<b>c</b> <input type="checkbox"/> Preservation for future generations	

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

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 XIII and complete the following table

	<b>Amount</b>
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

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

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**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
<b>1a</b> Beginning of year balance . . . . .	998,366	937,988	829,466	696,586	648,893
<b>b</b> Contributions . . . . .	118,001	146,240	133,874	136,426	132,155
<b>c</b> Net investment earnings, gains, and losses . . . . .	28,949	-21,173	55,404	46,634	-84,462
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .	50,947	64,689	80,756	50,180	
<b>g</b> End of year balance . . . . .	1,094,369	998,366	937,988	829,466	696,586

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

**a** Board designated or quasi-endowment  100 000 %

**b** Permanent endowment

**c** Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%

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? . . . . .

	<b>Yes</b>	<b>No</b>
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

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

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

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .					0
<b>b</b> Buildings . . . . .					0
<b>c</b> Leasehold improvements . . . . .					0
<b>d</b> Equipment . . . . .					0
<b>e</b> Other . . . . .					0
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)					0

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other		
(A) CHI OIP - FIXED INCOME	975,685	F
(B) CHI OIP - EQUITY SECURITIES	802,424	F
(C) OTHER INVESTMENTS	5,759,630	F
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)	7,537,739	

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

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

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

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col.(B) line 15.)	

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

(a) Description of liability	(b) Book value
1 Federal income taxes	0
INTERCOMPANY PAYABLES	6,556,007
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	6,556,007

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI 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 XIII) . . . . .	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 XIII) . . . . .	4b
c	Add lines 4a and 4b . . . . .	4c
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12) . . . . .	5

**Part XII 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 XIII) . . . . .	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 XIII) . . . . .	4b
c	Add lines 4a and 4b . . . . .	4c
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18) . . . . .	5

**Part XIII Supplemental Information**

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

Identifier	Return Reference	Explanation
Collections of art - description of collections	Schedule D, Part III, Line 4	MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC MAINTAINS A PERMANENT ART COLLECTION THAT IS INTENDED TO LIFT THE SPIRITS OF PATIENTS, VISITORS, AND STAFF OF MEMORIAL HEALTH CARE SYSTEM, INC IT ALLOWS PATIENTS THE OPPORTUNITY TO FOCUS ON THE ARTWORK RATHER THAN THEIR HEALTH ISSUES AND GIVES THE HOSPITAL A MORE INVITING, PATIENT-FRIENDLY ATMOSPHERE
Intended uses of endowment funds	Schedule D, Part V, Line 4	THE MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC ENDOWMENT WILL SECURE LONG-TERM ADVANCEMENT AND EXCELLENCE FOR MEMORIAL HEALTH CARE SYSTEM, INC 'S MINISTRY OF HEALING AS WE MOVE OUR MISSION FORWARD CURRENTLY, THE FOUNDATION BOARD HAS MADE THE DECISION TO ALLOW THE ENDOWMENT TO CONTINUE TO GROW FOR THE FORESEEABLE FUTURE UNTIL IT REACHES A SIZE WHERE INVESTMENT INCOME WILL MAKE A SIGNIFICANT DIFFERENCE IN FUNDING FOR NEEDS AT MHCS
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC 'S FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION CHI'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2013, READS AS FOLLOWS "CHI IS A TAX-EXEMPT COLORADO CORPORATION AND HAS BEEN GRANTED AN EXEMPTION FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE CHI OWNS CERTAIN TAXABLE SUBSIDIARIES AND ENGAGES IN CERTAIN ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AND THEREFORE SUBJECT TO INCOME TAX MANAGEMENT REVIEWS ITS TAX POSITIONS ANNUALLY AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS "

**SCHEDULE G**  
**(Form 990 or 990-EZ)**

## **Supplemental Information Regarding Fundraising or Gaming Activities**

OMB No 1545-0047

2012

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

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

Name of the organization

MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

**Employer identification number**

62-1839548

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

**1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a**  Mail solicitations
- b**  Internet and email solicitations
- c**  Phone solicitations
- d**  In-person solicitations
- e**  Solicitation of non-government grants
- f**  Solicitation of government grants
- g**  Special fundraising events

**2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

Yes  No

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization

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

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col (a) through col (c))
		<b>GOLF</b> (event type)	<b>PINK</b> (event type)	(total number)	
1	Gross receipts . . .	118,001	429,046		547,047
2	Less Contributions . . .	78,960	296,762		375,722
3	Gross income (line 1 minus line 2) . . .	39,041	132,284	0	171,325
4	Cash prizes . . .				0
5	Noncash prizes . . .				0
6	Rent/facility costs . . .	48,374	111,726		160,100
7	Food and beverages . . .				0
8	Entertainment . . .		15,500		15,500
9	Other direct expenses . . .	2,573	67,783		70,356
10	Direct expense summary Add lines 4 through 9 in column (d) . . . . .				(245,956) ►
11	Net income summary Combine line 3, column (d), and line 10 . . . . .				-74,631 ►

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

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

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . .  Yes  No

b If "No," explain \_\_\_\_\_  
\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . .  Yes  No

b If "Yes," explain \_\_\_\_\_  
\_\_\_\_\_

Does the organization operate gaming activities with nonmembers?  Yes  No

**12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No

**13** Indicate the percentage of gaming activity operated in

13a	
13b	

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

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

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No

**b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

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

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

**16** Gaming manager information

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

Director/officer

Employee

Independent contractor

**17** Mandatory distributions

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation
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**Schedule I  
(Form 990)**

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

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

**► Attach to Form 990**

2012

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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Name of the organization

MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

**Employer identification number**

62-1839548

## **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. Part II can be duplicated 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**

(1) MEMORIAL HEALTH 62-0532345 501(C)(3) 646,593 GENERAL SUPPORT  
CARE SYSTEM INC  
2525 DE SALES AVENUE  
CHATTANOOGA, TN  
37404

(2) MEMORIAL HEALTH 03-0417049 501(C)(3) 25,164 GENERAL SUPPORT  
PARTNERS FOUNDATION  
5600 BRAINERD ROAD  
CHATTANOOGA, TN  
37411

**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. Part III can be duplicated if additional space is needed.

Part IV Supplemental Information

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	GRANTS PAID TO MEMORIAL HEALTH CARE SYSTEM, INC (MHCS), A RELATED ORGANIZATION, ARE DONE SO IN THE FORM OF TRANSFERS TO AFFILIATES. THE DONATIONS RECEIVED ARE TRACKED BASED ON RESTRICTIONS OF USE. AS THE RESTRICTIONS ARE MET, THE PROCEEDS ARE TRANSFERRED IN THE FORM OF GRANTS TO SUPPORT THE MISSION OF PROVIDING HEALTH SERVICES TO THE COMMUNITY

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

Department of the Treasury  
Internal Revenue Service

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.**

**2012****Open to Public Inspection**Name of the organization  
MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC**Employer identification number**

62-1839548

**Part I Questions Regarding Compensation**

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

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

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

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

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

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

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

**a** Receive a severance payment or change-of-control payment?

**Yes****No**

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**Yes****No**

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

**a** The organization?

**No**

**b** Any related organization?

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?

**No**

**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

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

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

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

**Yes****No****1b****2****3****4a****4b****4c****5a****5b****6a****6b****7****8****9**

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) CAROL NEWTON FORMER OFFICER	(i) 0 (ii) 125,960	0 0	0 221	0 12,237	0 6,758	0 145,176	0 0
(2) CHERYL A SADRO MHCS CFO	(i) 0 (ii) 322,374	0 0	0 62,136	0 20,596	0 22,258	0 427,364	0 0
(3) DEBRA MOORE FORMER OFFICER	(i) 0 (ii) 253,913	0 0	0 589	0 33,096	0 8,012	0 295,610	0 0
(4) JAMES HOBSON MHCS PRESIDENT CEO	(i) 0 (ii) 490,524	0 92,562	0 61,652	0 64,593	0 17,021	0 726,352	0 38,320
(5) JENNIFER NICELY EX-OFFICIO/CHIEF DEVELPMT OFF	(i) 0 (ii) 130,884	0 0	0 119	0 11,980	0 19,673	0 162,656	0 0
(6) WILLIAM OELLERICH BOARD MEMBER/PHYSICIAN	(i) 0 (ii) 589,082	0 99,179	0 1,071	0 20,952	0 22,072	0 732,356	0 0

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Arrangement used to establish the top management official's compensation	Schedule J, Part I, Line 3	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL OF MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC WAS ESTABLISHED AND PAID BY MEMORIAL HEALTH CARE SYSTEM, INC (MHCS), A RELATED ORGANIZATION. MHCS USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION: (1) COMPENSATION COMMITTEE, (2) INDEPENDENT COMPENSATION CONSULTANT, (3) WRITTEN EMPLOYMENT CONTRACT, (4) COMPENSATION SURVEY OR STUDY, AND (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE.
POST-TERMINATION PAYMENTS	SCHEDULE J, PART I, LINE 4A	POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES (CHI) AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING THE MBO CEOS. THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT. POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE. NO REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS DURING THE YEAR.
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	DURING THE 2012 CALENDAR YEAR CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR MBO CEOS AND OTHER CHI EMPLOYEES AT THE LEVEL OF SENIOR VICE PRESIDENT AND ABOVE. THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN: JAMES HOBSON. DURING 2012, THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN: JAMES HOBSON \$43,997. DURING 2012, THE FOLLOWING DISTRIBUTIONS WERE MADE BY CHI FROM THE DEFERRED COMPENSATION PLAN: JAMES HOBSON \$38,320.

**SCHEDULE O**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

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

**2012****Open to Public  
Inspection**

Name of the organization

MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

**Employer identification number**

62-1839548

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	<p>MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC COMMUNITY BENEFIT NARRATIVE FOR THE YEAR ENDED 6/30/2013 I MISSION MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC (THE FOUNDATION) WAS FOUNDED IN JANUARY 2001 TO RAISE AWARENESS AND FUNDS EXCLUSIVELY FOR MEMORIAL HEALTH CARE SYSTEM, INC (MHCS), A TAX EXEMPT HEALTH CARE SYSTEM THE MISSION OF CATHOLIC HEALTH INITIATIVES AND MEMORIAL HEALTH CARE SYSTEM, INC IS TO NURTURE THE HEALING MINISTRY OF THE CHURCH, BRINGING IT NEW LIFE, ENERGY AND VIABILITY IN THE 21ST CENTURY CATHOLIC HEALTH INITIATIVES AND MHCS ARE COMMITTED TO FIDELITY TO THE GOSPEL, WITH EMPHASIS ON HUMAN DIGNITY AND SOCIAL JUSTICE IN THE CREATION OF HEALTHIER COMMUNITIES THE FUNDS RAISED BY THE FOUNDATION ALLOW MHCS TO EXTEND ITS MISSION OF MEDICAL EXCELLENCE FURTHER INTO THE COMMUNITY THE FOUNDATION HAS A GOVERNING BOARD COMPRISING OF COMMUNITY REPRESENTATIVES THAT REPRESENT THE DIVERSE POPULATIONS WITHIN THE CHATTANOOGA AREA II COMMUNITY BENEFIT IN FY 2013, THE FOUNDATION RAISED FUNDS THROUGH SPECIAL EVENTS, ANNUAL GIVING, MAJOR GIFTS, PLANNED GIVING, CORPORATE/FOUNDATION GRANTS, AND CAPITAL CAMPAIGNS TO FUND CAPITAL EQUIPMENT, PROVIDE MEDICAL SERVICES TO UNDERSERVED POPULATIONS, SUPPORT COMMUNITY OUTREACH PROGRAMS, SCHOLARSHIPS TO STUDENTS PURSUING HEALTH CARE CAREERS, AND AN ENDOWMENT FUND IN FY 2013, THE FOUNDATION RAISED 6.8 MILLION FOR THESE PURPOSES AND DISBURSED OVER \$700,000 TO SUPPORT MHCS'S NON PROFIT HEALTH CARE SERVICES SIGNIFICANT PORTIONS OF FUNDS RAISED IN THE PAST FEW YEARS HAVE BEEN DESIGNATED FOR MASTER FACILITY PLAN PROJECTS THAT WILL BE COMPLETED IN FY 2014 AND FY 2015 ONCE THESE PROJECTS ARE FINISHED, THE DISBURSEMENTS TO THE HEALTH SYSTEM WILL GROW SINCE ITS INCEPTION, THE FOUNDATION HAS RAISED \$30.5 MILLION AND DISBURSED \$16.7 MILLION TO SUPPORT MEMORIAL HEALTH CARE SYSTEM, INC'S MISSION COMMUNITY SERVICES HAVE ALWAYS BEEN A SIGNIFICANT PART OF MHCS EACH YEAR, SERVICES AND PROGRAMS OFFERED TO THE COMMUNITY ARE EVALUATED AND EXPANDED TO PROMOTE BOTH INCREASED ACCESS TO HEALTH CARE AND HEALTHIER COMMUNITIES TO ENHANCE THE HEALTH STATUS OF CHATTANOOGANS, MHCS FOCUSES ON THE WHOLE PERSON, INCLUDING THE PERSON'S SPIRITUAL, EMOTIONAL, AND PHYSICAL WELL-BEING HIGHLIGHTED BELOW ARE SOME OF THE PROGRAMS OR CAPITAL EXPENDITURES THAT HAVE BEEN MADE POSSIBLE THROUGH FUNDING FROM THE FOUNDATION LUNG CENTER THROUGH DONATIONS EXCEEDING \$1.4 MILLION, MHCS HAS CREATED A WORLD-CLASS LUNG CENTER THAT REVOLUTIONIZES CARE FOR OUR REGION LUNG DISEASES, INCLUDING LUNG CANCER, ARE SOME OF THE MOST DEBILITATING AND FRIGHTENING OF ALL MEDICAL ISSUES THE LUNG CENTER ALLOWS PATIENTS SUFFERING FROM EMPHYSEMA, ASTHMA, LUNG CANCER, PULMONARY FIBROSIS, AND OTHER PULMONARY DISEASES TO SEEK CARE FROM PULMONARY MEDICINE EXPERTS IN AN ENVIRONMENT THAT DIMINISHES ANXIETY AND FEAR, ALLOWING THE PATIENT AND FAMILY TO BE EMBRACED BY A TEAM OF PEOPLE WHO ARE FOCUSED ON THEIR SPECIFIC NEEDS THE LUNG CENTER AT MHCS ASPIRES TO BE THE ULTIMATE REGIONAL EPICENTER FOR LUNG HEALTH, PROVIDING THE MOST Comprehensive CARE AVAILABLE SMOKING REMAINS THE HIGHEST RISK FACTOR FOR LUNG DISEASE WITHIN OUR REGION, SMOKING RATES RANGE FROM 20% IN HAMILTON COUNTY TO 30% IN CATOOSA COUNTY ONE IN FOUR TENNESSEANS SMOKE, AND SMOKING IS RESPONSIBLE FOR 87% OF LUNG CANCERS AS A RESULT, EVERY COUNTY IN OUR REGION EXCEEDS THE NATIONAL RATES FOR LUNG CANCER MORTALITY RATES THROUGH THE CREATION OF THE NEW LUNG CENTER, MHCS IS DETERMINED TO IMPROVE THESE BLEAK STATISTICS THE LUNG CENTER AT MHCS TREATS THOSE WHO HAVE CURRENT HEALTH ISSUES RELATED TO LUNG DISEASE, AND ALSO PROACTIVELY EDUCATES AND SCREENS THE COMMUNITY, WITH THE OVERALL GOAL OF DRAMATICALLY CHANGING THESE NUMBERS WESTSIDE CLINIC AN ANONYMOUS DONOR WANTED TO MAKE A DIFFERENCE IN THE LIVES OF OUR PATIENTS WHO SEEK THEIR HEALTH CARE SERVICES FROM WESTSIDE CLINIC SHE GAVE \$150,000 IN FY 2011 TO THE FOUNDATION AND ALLOWED THE CLINIC STAFF TO DETERMINE HOW THE FUNDS COULD BEST BE USED TO HELP THEIR PATIENTS ONCE THESE FUNDS WERE EXHAUSTED, SHE GAVE ANOTHER \$40,000 IN FY 2012 TO HELP FUND A NURSE PRACTITIONER WHO FOCUSES ON PATIENTS DIAGNOSED WITH DIABETES WESTSIDE CLINIC IS LOCATED IN THE "HOMELESS-CHATTANOOGA" HPSA ID # 1479994782 AND SERVES THE COLLEGE HILL COURTS, A 500 UNIT INTERCITY HOUSING DEVELOPMENT, AND BOYNTON TOWERS, A 250 UNIT LOW INCOME HOUSING FOR SENIORS THE CURRENT PERCENTAGE OF RESIDENTS 65+ IS 21.9% COMPARED TO THE NATIONAL AVERAGE OF 12.7% MEDIAN HOUSEHOLD INCOME IS \$11,259 COMPARED TO THE NATIONAL AVERAGE OF \$50,152 AND TENNESSEE INCOME OF \$42,144 WESTSIDE CLINIC CONTINUES TO SEE SIGNIFICANT GROWTH IN THE NUMBER OF PATIENTS IT SEES IT HAS GROWN FROM 1,367 PATIENT VISITS IN 2008 TO 4,368 PATIENT VISITS IN 2013 THE CLINIC ACCEPTS PATIENTS REGARDLESS OF THEIR ABILITY TO PAY MARY ELLEN LOCHER BREAST CENTER THE FOUNDATION ASSISTS MHCS IN OBTAINING GRANTS TO FUND BREAST SERVICES AND EDUCATION TO UNDERSERVED WOMEN IN 2012, THE CHATTANOOGA AFF</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	<p>ILIATE OF THE SUSAN G KOMEN BREAST CANCER FOUNDATION, INC AWARDED SEVERAL GRANTS TO MHCS ONE GRANT FUNDS A PROGRAM TO PROVIDE UNDERSERVED WOMEN WITH ACCESS TO MAMMOGRAMS MHCS HOSTED BREAST HEALTH PROGRAMS AND PARTICIPATED IN HEALTH FAIRS TO DISTRIBUTE EDUCATIONAL MATERIAL AND PROVIDE PRESENTATIONS AND INDIVIDUAL EDUCATION TO DIVERSE GROUPS OF WOMEN, INCLUDING HOMELESS WOMEN IN SHELTERS AND PUBLIC HOUSING FACILITIES ALL WOMEN WHO PARTICIPATED IN THE ACCESS TO MAMMOGRAMS' PROGRAM RECEIVED A CLINICAL BREAST EXAM, MAMMOGRAM, AND MANY ATTENDED EDUCATIONAL SESSIONS IN FY 2013, OF THE 4,758 WOMEN PARTICIPATING IN THE OUTREACH BREAST CANCER SCREENING PROGRAMS, 89 RECEIVED ABNORMAL MAMMOGRAM RESULTS AND 14 OF THESE WOMEN WERE DIAGNOSED WITH BREAST CANCER AVON FOUNDATION BREAST CARE FUND HAS AWARDED A GRANT TO THE FOUNDATION TO FUND OUTREACH EFFORTS TO WOMEN AGES 40 AND OVER WHO ARE NOT INVOLVED IN A BREAST HEALTH CARE PLAN A PART OF THIS PROGRAM INCLUDES 'SHOPPING FOR BREAST HEALTH' WHICH PROVIDES HEALTH ORIENTED PRODUCTS AND EDUCATIONAL MATERIALS TO WOMEN THE GRANT ALSO PROVIDES FUNDING FOR A FULL TIME OUTREACH COORDINATOR AND ONE PART TIME ASSISTANT AND INCENTIVES TO ENCOURAGE WOMEN TO ATTEND THE EDUCATIONAL/SCREENING PROGRAM THE OUTREACH STAFF PARTNER WITH OTHER ORGANIZATIONS, INCLUDING CHURCHES, PUBLIC HOUSING, PRIMARY CARE PROVIDERS, HEALTH DEPARTMENTS, AND EMPLOYERS, IN THE REGION TO SCHEDULE AND PROVIDE MOBILE MAMMOGRAM SERVICES AND BREAST HEALTH OUTREACH PROGRAMS, FOCUSING ON DIVERSE GROUPS AND MEDICALLY UNDERSERVED WOMEN A MOBILE MAMMOGRAPHY COACH WAS PURCHASED THROUGH FUNDING FROM THE TENNESSEE WOMEN'S HEALTH INITIATIVE AND DONATIONS FROM SUNTRUST AND CHATTEM INC THIS HAS ENABLED US TO REACH WOMEN IN OUTLYING COMMUNITIES SINCE MARCH OF 2005 SINCE THAT TIME, OVER 20,000 MAMMOGRAMS HAVE BEEN GIVEN ON THE MOBILE MAMMOGRAPHY COACH, MANY OF WHICH HAVE BEEN FUNDED THROUGH THE KOMEN GRANT AND THE TN BREAST AND CERVICAL CARE PROGRAM IN 2009, UPGRADES TO OUR MOBILE COACH WERE ALSO FUNDED THROUGH FOUNDATION DONATIONS DUE TO THE SUCCESS OF THE PROGRAM, THE FOUNDATION RAISED \$725,000 IN FY 2011 TO FUND A SECOND MOBILE COACH AS THE SINGLE COACH CANNOT MEET ALL THE DEMAND FOR ITS SERVICES THE SECOND COACH ALSO OFFERS DIGITAL MAMMOGRAPHY AND EXPANDS SERVICES TO INCLUDE CLINICAL BREAST AND PELVIC EXAMS BREAST SERVICES ALSO OFFERS CANCER RISK COUNSELING TO HELP PEOPLE UNDERSTAND BETTER HOW THEIR FAMILY HISTORY OF CANCER MIGHT AFFECT THEIR INDIVIDUAL RISK OF DEVELOPING CANCER ACCURATE EDUCATIONAL INFORMATION AND INDIVIDUAL COUNSELING IS PROVIDED AT NO CHARGE TO THE PATIENTS, WHICH IS MADE POSSIBLE THROUGH GRANTS AND DONATIONS FROM THE FOUNDATION ALL WOMEN ARE PROVIDED BREAST SCREENING SERVICES, REGARDLESS OF THEIR ABILITY TO PAY, THROUGH MHCS THE GRANTS DISCUSSED ABOVE ONLY COVER A PORTION OF THE COSTS INCURRED BY THE HOSPITAL TO PROVIDE BREAST RELATED SERVICES THE REST OF THE COST IS COVERED THROUGH HOSPITAL FUNDS AS A COMMUNITY BENEFIT THE FOUNDATION'S SUPPORT OF THE HOSPITAL ALLOWS THE HOSPITAL TO PROVIDE MORE COMMUNITY BENEFIT PROGRAMS THAN THEY WOULD OTHERWISE BE ABLE TO PROVIDE ONCE DIAGNOSED WITH CANCER AND IN TREATMENT, WE CONTINUE OFFERING SUPPORT TO OUR UNINSURED AND UNDERSERVED LADIES BY PROVIDING POST EDUCATION AND NAVIGATION THROUGH TREATMENT, MASTECTOMY PRODUCTS AND ACCESSORIES TO LOOK YOUR BEST WHEN EXPERIENCING THE SIDE EFFECTS OF TREATMENT WITH HAIR LOSS AT NO COST HAND-MADE HATS AND HEART SHAPED PILLOWS ARE DONATED FROM COMMUNITY ORGANIZATIONS AND LADIES GROUPS WE ACCEPT GENTLY USED MASTECTOMY PRODUCTS, CLEAN THEM AND OFFER THEM TO LADIES WHO OTHERWISE DON'T HAVE ACCESS</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS (CONTINUED)	FORM 990, PART III, LINE 4A	<p>CANCER RESOURCE CENTER MEMORIAL HOSPITAL HAS DEVELOPED A PROGRAM TO HELP CANCER PATIENTS AND THEIR FAMILIES COPE, OFFERING THEM THE LATEST INFORMATION ABOUT CANCER CARE. WHETHER YOU HAVE JUST BEEN DIAGNOSED OR HAVE A FAMILY MEMBER WITH CANCER, THE ONCOLOGY PROFESSIONALS AT THE CANCER RESOURCE CENTER CAN ANSWER YOUR QUESTIONS OR HELP YOU UNDERSTAND YOUR OPTIONS REGARDLESS OF WHERE YOU GO FOR TREATMENT. YOU CAN LEARN ABOUT FINANCIAL RESOURCES, SCREENING OPPORTUNITIES, THE MOST CURRENT CLINICAL TRIALS, AND SUPPORT GROUPS AND SEMINARS OFFERED TO PATIENTS, FAMILY, AND FRIENDS. THE CANCER RESOURCE CENTER ALSO OFFERS PROFESSIONALLY LED SUPPORT GROUPS, CHILDREN'S PROGRAM, CLIMB (CHILDREN LIVING IN MOMENTS OF BRAVERY), AND WE CARE WEEKEND, A FAMILY RETREAT FOR CANCER SURVIVORS. NONE OF THE SERVICES ARE BILLED TO THE PATIENT AND FEW QUALIFY FOR INSURANCE REIMBURSEMENT. IN FY 2013 THE COST OF THIS PROGRAM WAS \$395,000. DONATIONS FOR CANCER RESOURCE CENTER HAVE HELP OFFSET THESE COSTS. CANCER INSTITUTE IN FY 2010, A COMPLIMENTARY WEEKLY PROGRAM FOR RECENTLY DIAGNOSED CANCER PATIENTS BEGAN. LIVING WELL WITH CANCER IS AN INTRODUCTION AND TOUR OF SUPPORT AND TREATMENT SERVICES AVAILABLE TO MHCS PATIENTS. LOGISTICS, SUCH AS PARKING, APPROPRIATE ENTRANCE FOR SERVICES, FOOD SERVICE, AND LOCATION OF THE CHAPEL AND OUTPATIENT PHARMACY ARE ADDRESSED. EACH PARTICIPANT DETERMINES HIS OR HER STRESS LEVEL AND THEN MEETS A SOCIAL WORKER TO DISCUSS STRESS. THEY ALSO MEET ONCOLOGY NUTRITIONISTS, NURSE EDUCATORS, AND THE ONCOLOGY CHAPLAIN. PATIENTS PARTICIPATE IN A STRESS MANAGEMENT EXERCISE AND ARE ENCOURAGED BY LONG TERM MHCS AUXILIARY VOLUNTEERS, WHO ARE THEMSELVES CANCER SURVIVORS. WE CARE WEEKEND, AN ANNUAL RETREAT FOR RECENTLY DIAGNOSED PATIENTS AND FAMILIES, IS PROMOTED AND A SAVE THE DATE CARD IS GIVEN TO THE PATIENTS. PATIENTS AND THEIR SUPPORT PARTNERS LEARN HOW MEMORIAL'S CANCER INSTITUTE OFFERS COMPLIMENTARY, HOLISTIC HEALTH SERVICES TO LIVE WELL WITH CANCER. SIMULATION LEARNING CENTER THE FOUNDATION FUNDED A NEW SIMULATION LEARNING CENTER THAT IS USED TO TRAIN NEW NURSES AND NURSING ASSISTANTS TO EXPOSE THEM TO REALISTIC CLINICAL CHALLENGES THROUGH THE USE OF LIFE-LIKE MANNEQUINS, VIRTUAL REALITY, TASK TRAINERS, ETC. TO ALLOW THE NURSES TO EXPERIENCE REAL TIME CONSEQUENCES FOR THEIR DECISIONS AND ACTIONS. THIS SIMULATED STATE OF THE ART APPROACH TO TRAINING PROMOTES CLINICAL EXCELLENCE AND PATIENT SAFETY AND HONES CRITICAL THINKING SKILLS. USING THIS APPROACH WILL AID THE HOSPITAL'S GOAL OF BECOMING RECOGNIZED AS A HOSPITAL WITH MAGNET STATUS IN NURSING EXCELLENCE. CAPITAL PROJECTS FUNDING THE FOUNDATION HAS RAISED \$15 MILLION TO FUND MASTER FACILITY PLAN PROJECTS. THESE PROJECTS WOULD HAVE NOT BEEN POSSIBLE AT THE SAME LEVEL. THEY HAVE BEEN DESIGNED WITHOUT THE ADDITIONAL FUNDING FROM THE FOUNDATION. THE LUNG CENTER, INFUSION CENTER, HEART CENTER, AND CHAPEL ALL WERE MADE POSSIBLE WITH GENEROUS COMMUNITY SUPPORT. CONTRIBUTIONS FROM THE MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC. HELPS SUPPORT ALL THE PROGRAMS HIGHLIGHTED ABOVE USING DONATIONS THEY RECEIVE. MHCS IS BETTER ABLE TO FUND RESEARCH AND EDUCATION, CAPITAL EXPANSION, NEW EQUIPMENT AND RENOVATION, INDIGENT CARE, AND OPERATING COST FOR PROGRAMS THAT WOULD OTHERWISE NOT BE POSSIBLE BASED ON THE SUPPORT IT RECEIVES FROM THE FOUNDATION. THE VALUE OF THIS COMMUNITY SUPPORT IS RETURNED TO THE COMMUNITY THROUGH LOWER COSTS IN PATIENT CARE PROGRAMS AND COMMUNITY SERVICES DESCRIBED THROUGHOUT THIS DOCUMENT.</p>

Identifier	Return Reference	Explanation
Delegate broad authority to a committee	Form 990, Part VI, Section A, Line 1a	<p>PURSUANT TO SECTION 8 5 OF THE BYLAWS OF MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC (MHCSF), THE EXECUTIVE COMMITTEE IS COMPOSED OF THE BOARD CHAIR, THE BOARD VICE CHAIR, THE PRESIDENT AND CEO, AND THE CHAIR OF THE EXECUTIVE COMMITTEE, EACH OF WHOM SERVES AS AN EX OFFICIO VOTING MEMBER OF THE EXECUTIVE COMMITTEE, WITH ONE OR TWO OTHER DIRECTORS PURSUANT TO SECTION 8 1 OF THE CORPORATIONS BYLAWS, COMMITTEES, SUCH AS THE EXECUTIVE COMMITTEE, THAT ARE GRANTED THE AUTHORITY TO ACT ON BEHALF OF THE BOARD OF DIRECTORS MAY INCLUDE ONLY DIRECTORS OF THE CORPORATION FURTHER, PURSUANT TO SECTION 8 5 OF THE CORPORATION'S BYLAWS, THE EXECUTIVE COMMITTEE HAS AND MAY EXERCISE SUCH POWERS AS MAY BE DELEGATED TO IT BY THE BOARD OF DIRECTORS THE EXECUTIVE COMMITTEE ALSO POSSESSES THE POWER TO TRANSACT ROUTINE BUSINESS OF THE CORPORATION IN THE INTERIM PERIOD BETWEEN REGULARLY SCHEDULED MEETINGS OF THE BOARD OF DIRECTORS</p>

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	PURSUANT TO SECTION 5 1 OF THE BYLAWS, THE ENTITY'S SOLE CORPORATE MEMBER IS MEMORIAL HEALTH CARE SYSTEM, INC (MHCS), A KENTUCKY NON-PROFIT CORPORATION

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	IN ACCORDANCE WITH THE ORGANIZATION'S CORPORATE BYLAWS, THE SOLE CORPORATE MEMBER, MEMORIAL HEALTH CARE SYSTEM, INC (MHCS), MAY UNILATERALLY APPOINT ONE OR MORE INDIVIDUALS TO THE ORGANIZATION'S BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	<p>MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC 'S (MHCSF) SOLE CORPORATE MEMBER IS MEMORIAL HEALTH CARE SYSTEM, INC (MHCS) PURSUANT TO SECTION 5 4 OF THE ORGANIZATION'S BYLAWS, BOTH MHCS AND CATHOLIC HEALTH INITIATIVES (CHI) (MHCS'S SOLE CORPORATE MEMBER) HAVE RESERVED POWERS AS OUTLINED IN THE CHI GOVERNANCE MATRIX PURSUANT TO THE GOVERNANCE MATRIX, THE FOLLOWING RIGHTS ARE HELD BY THE MHCS BOARD (1) APPROVE MEMBERS OF THE MHCSF BOARD, (2) AMENDMENT OF THE CORPORATE DOCUMENTS OF MHCSF, (3) APPROVE REMOVAL OF A MEMBER OF THE GOVERNING BOARD OF MHCSF, AND (4) ADOPTION OF LONG-RANGE AND STRATEGIC PLANS FOR MHCSF THE FOLLOWING RIGHTS ARE RESERVED TO THE CHI BOARD DIRECTLY OR THROUGH POWERS DELEGATED TO THE CHI CHIEF EXECUTIVE OFFICER (1) SUBSTANTIAL CHANGE IN THE MISSION OR PHILOSOPHY OF MHCSF, (2) REMOVAL OF A MEMBER OF THE BOARD OF DIRECTORS OF MHCSF, (3) APPROVAL OF ISSUANCE OF DEBT BY MHCSF, (4) APPROVAL OF PARTICIPATION OF MHCSF IN A JOINT VENTURE, (5) APPROVAL OF A MERGER INVOLVING MHCSF, (6) APPROVAL OF THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF MHCSF, AND (7) TO REQUIRE THE TRANSFER OF ASSETS BY MHCSF TO CHI TO ACCOMPLISH CHI'S GOALS AND OBJECTIVES, AND TO SATISFY CHI'S DEBTS PURSUANT TO SECTION 5 5 2 OF THE ORGANIZATION'S BYLAWS, MHCS OR CHI MAY, IN EXERCISE OF THEIR APPROVAL POWERS, GRANT OR WITHHOLD APPROVAL IN WHOLE OR IN PART, OR MAY, IN ITS COMPLETE DISCRETION, AFTER CONSULTATION WITH THE BOARD AND ITS PRESIDENT AND THE CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION, RECOMMEND SUCH OTHER OR DIFFERENT ACTIONS AS IT DEEMS APPROPRIATE</p>

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	FOR FY 2013, THE FORM 990 WILL UNDERGO THE FOLLOWING REVIEW PROCESS. THE MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC (THE FOUNDATION) FORM 990 IS REVIEWED BY THE VP/CHIEF DEVELOPMENT OFFICER OF THE FOUNDATION AND THE CFO OF MEMORIAL HEALTH CARE SYSTEM, INC. THE FORM 990 IS THEN PRESENTED TO THE FOUNDATION BOARD PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE. AFTER PRESENTATION TO THE BOARD, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING. ANY SUCH CHANGES ARE NOT RE-SUBMITTED TO THE BOARD.

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	<p>MEMORIAL HEALTH CARE SYSTEM FOUNDATION, INC HAD IN EFFECT FOR FY 2013, A CONFLICT OF INTEREST POLICY COVERING ALL DIRECTORS AND OFFICERS HOLDING THE TITLE OF VICE PRESIDENT OR ABOVE THE POLICY PLACES ON EACH DIRECTOR A GENERAL OBLIGATION TO DISCLOSE TO THE CHAIR OF THE BOARD OF DIRECTORS ANY SITUATION THAT MAY CREATE A CONFLICT AS SOON AS THEY BECOME AWARE OF SUCH SITUATION COVERED OFFICERS MUST MAKE SUCH DISCLOSURES TO THE PRESIDENT AND CEO OF MEMORIAL HEALTH CARE SYSTEM, INC , WHO HAS A DUTY TO REPORT SUCH SITUATION TO THE BOARD CHAIR IF ANY DOUBT EXISTS, DIRECTORS AND COVERED OFFICERS ARE REQUIRED TO MAKE A FULL DISCLOSURE TO PERMIT AN IMPARTIAL AND OBJECTIVE DETERMINATION THE POLICY REQUIRES WRITTEN RECORD OF ALL DISCLOSURES ADDITIONALLY, ALL DIRECTORS AND COVERED OFFICERS ARE REQUIRED TO, AT LEAST ANNUALLY, COMPLETE, SIGN, AND SUBMIT A CONFLICT OF INTEREST DISCLOSURE STATEMENT THE PRESIDENT AND CEO REVIEW THESE STATEMENTS WITH THE BOARD CHAIR THE BOARD CHAIR OR A DESIGNEE CONDUCTS FURTHER INVESTIGATION OF CONFLICTS OF INTEREST DISCLOSURES AT THEIR DISCRETION BASED UPON THE REVIEW AND EVALUATION OF THE RELEVANT FACTS AND CIRCUMSTANCES, THE BOARD CHAIR MAKES AN INITIAL DETERMINATION AS TO WHETHER A CONFLICT EXISTS AND WHETHER REVIEW AND APPROVAL OR OTHER ACTION BY THE BOARD IS REQUIRED A WRITTEN RECORD OF THE BOARD CHAIR'S DETERMINATION IS KEPT THE BOARD CHAIR THEN MAKES A REPORT TO THE EXECUTIVE COMMITTEE OF THE BOARD DIFFERENCES OF OPINION BETWEEN THE BOARD CHAIR AND ANOTHER OFFICER OR DIRECTOR AS TO WHETHER THE FACTS AND CIRCUMSTANCES OF A GIVEN SITUATION CONSTITUTE A CONFLICT OF INTEREST OR WHETHER BOARD OF DIRECTORS' REVIEW AND APPROVAL OR OTHER ACTION IS REQUIRED ARE SUBMITTED TO THE EXECUTIVE COMMITTEE TO MAKE A FINAL DETERMINATION AS TO THE MATTER THE COMMITTEE MINUTES ARE TO REFLECT THE DETERMINATION INCLUDING ALL RELEVANT FACTS AND CIRCUMSTANCES AND REPORT TO THE BOARD OF DIRECTORS A DIRECTOR OR OFFICER IS PROHIBITED FROM VOTING OR USING HIS OR HER PERSONAL INFLUENCE ON THE MATTER UNDER CONSIDERATION FURTHER, THEY ARE TO BE EXCUSED FROM THE MEETING DURING THE DISCUSSION AND VOTE ON THE CONFLICT OF INTEREST</p>

Identifier	Return Reference	Explanation
COMPENSATION	FORM 990, PART VI, LINE 15	DURING THE TAX YEAR ENDED 6/30/2013, NO OFFICERS, DIRECTORS, OR TRUSTEES RECEIVED COMPENSATION FROM THE ORGANIZATION. ANY EXECUTIVE COMPENSATION PAID TO OFFICERS, DIRECTORS, OR TRUSTEES BY RELATED ORGANIZATIONS WAS SET BY THE RELATED ORGANIZATION'S COMPENSATION COMMITTEE UTILIZING BOTH AN INDEPENDENT CONSULTANT AND COMPARABILITY STUDIES TO DETERMINE COMPENSATION. THEREFORE, THESE QUESTIONS ARE MORE APPROPRIATELY ANSWERED AS "N/A" BUT HAVE BEEN ANSWERED "NO" IN ACCORDANCE WITH THE FORM 990 INSTRUCTIONS

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW.CATHOLICHEALTHINIT.ORG OR AT WWW.DACBOND.ORG. GOVERNING DOCUMENTS AND THE CONFLICT OF INTEREST POLICY ARE NOT AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
Other Expenses	Form 990, Part IX, Line 11g	COMPENSATION PAID BY A RELATED ORGANIZATION - TOTAL EXPENSE 335591, PROGRAM SERVICE EXPENSE , MANAGEMENT AND GENERAL EXPENSES 33793, FUNDRAISING EXPENSES 301798, FEES FOR OTHER PROFESSIONAL SERVICES - TOTAL EXPENSE 28502, PROGRAM SERVICE EXPENSE , MANAGEMENT AND GENERAL EXPENSES , FUNDRAISING EXPENSES 28502,

SCHEDULE R  
(Form 990)

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceName of the organization  
MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

Employer identification number

62-1839548

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

(a) Name, address, and EIN (if applicable) 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
(1) MEMORIAL HOSPITAL AUXILIARY LLC 2525 DE SALES AVENUE CHATTANOOGA, TN 37404 62-1839548	SUPPORT MHCSF	TN	158,603	223,375	MHCSFOUND

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to 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	(g) Section 512(b)(13) controlled entity?
						Yes      No
See Additional Data Table						

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

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

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

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

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 or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
  
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
  
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
  
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
  
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
<b>1a</b>		<b>No</b>
<b>1b</b>	<b>Yes</b>	
<b>1c</b>	<b>Yes</b>	
<b>1d</b>		<b>No</b>
<b>1e</b>		<b>No</b>
<b>1f</b>		<b>No</b>
<b>1g</b>		<b>No</b>
<b>1h</b>		<b>No</b>
<b>1i</b>		<b>No</b>
<b>1j</b>		<b>No</b>
<b>1k</b>		<b>No</b>
<b>1l</b>	<b>Yes</b>	
<b>1m</b>		<b>No</b>
<b>1n</b>	<b>Yes</b>	
<b>1o</b>		<b>No</b>
<b>1p</b>	<b>Yes</b>	
<b>1q</b>		<b>No</b>
<b>1r</b>	<b>Yes</b>	
<b>1s</b>	<b>Yes</b>	

**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-s)	(c) Amount involved	(d) Method of determining amount involved

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

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

**Software ID:** 12000266  
**Software Version:** v2012.1.0  
**EIN:** 62-1839548  
**Name:** MEMORIAL HEALTH CARE SYSTEM FOUNDATION INC

Schedule R (Form 990) 2012

Page 5

**Part VII Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier		Return Reference		Explanation							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?	(k) Percentage ownership
							Yes	No			
AUDUBON LAND COMPANY LLC 5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 84-1513085	REAL ESTATE	CO	CHIC	RELATED	34,991	8,665,388		No	0		No 50 1 %
AVANTAS LLC 11128 JOHN GALT BLVD SUITE 400 OMAHA, NE 68137 39-2045003	STAFFING OF NURSES	NE	AHBMHS	RELATED	-210,405	4,806,071		No	-439,536		No 95 %
BERYWOOD OFFICE PROPERTIES LLC 400 BERYWOOD TRAIL CLEVELAND, TN 37312 62-1875199	PHYS OFFICE	TN	MHCS	RELATED	57,545	1,013,237		No	0	Yes	63 %
BLUEGRASS REGIONAL IMAGING CENTER 1218 SOUTH BROADWAY SUITE 310 LEXINGTON, KY 40504 61-1386736	DIAGNOSTIC	KY	SJHS	RELATED	308,428	3,317,191		No	0		No 65 %
CENTRAL NEBRASKA HOME CARE SERVICES PO BOX 1146-4510 SECOND AVENUE KEARNEY, NE 68848 47-0692112	HEALTHCARE SRVC	NE	NA	RELATED	228,435	675,251		No	0	Yes	100 %
CENTRAL NEBRASKA REHAB SERVICES 3004 W FAIDLEY AVE GRAND ISLAND, NE 68802 81-0653461	PHYSICAL THERAPY	NE	SFMC	RELATED	1,710,199	2,712,656		No	0		No 51 %
CHI OPERATING INVESTMENT PROGRAM LP 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0727942	INVESTMENTS	CO	CHI	UNRELATED	344,962,532	4,617,413,792		No	0	Yes	79 92 %
HEALTHCARE SUPPORT SERVICES PO BOX 9804 GRAND ISLAND, NE 68802 72-1546196	LAUNDRY	NE	NA	RELATED	98,583	3,190,677		No	0		No 100 %
MRI AT ST JOSEPH MEDICAL CENTER LLC 7253 AMBASSADOR ROAD BALTIMORE, MD 21244 52-1958002	MEDICAL IMAGING	MD	SJMC	RELATED	423,167	2,174,155		No	0	Yes	51 %
NORTH RIVER SURGERY CENTER LLC 2209 WILDWOOD AVENUE SHERWOOD, AR 72120 71-0799771	AMBUL SURG CTR	AR	SVIMC	RELATED	81,071	1,077,536		No	0		No 57 45 %
O'DEA MEDICAL ARTS LIMITED PARTNERSHIP 7601 OSLER DRIVE TOWSON, MD 21204 52-1682964	REAL ESTATE	MD	TMI	RELATED	9,490	0		No	0	Yes	66 58 %
ORTHOCOLORADO LLC 11650 WEST 2ND PLACE LAKWOOD, CO 80255 37-1577105	ORTHO HOSPITAL	CO	THC	RELATED	1,846,153	8,411,844		No	0		No 60 %
PENINSULA RADIATION ONCOLOGY LLC 315 MARTIN LUTHER KING JR WAY 111 TACOMA, WA 98405 87-0808610	HEALTHCARE SRVC	WA	FHS	RELATED	256,567	3,262,002		No	0		No 60 %
PENRAD IMAGING 1390 KELLY JOHNSON BLVD COLORADO SPRINGS, CO 80920 84-1072619	MEDICAL IMAGING	CO	CHIC	RELATED	715,094	3,489,436		No	0		No 70 %
RUXTON SURGICENTER LLC 8322 BELLONA AVENUE SUITE 201 BALTIMORE, MD 21204 52-2095835	SURGERY CENTER	MD	SJMC	RELATED	-69,345	0		No	0	Yes	51 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SAINT JOSEPH - SCA HOLDINGS LLC 1451 HARRDOSBURG ROAD LEXINGTON, KY 40504 45-3801157	OP SURGERY	DE	SJHS	RELATED	0	0		No	0	Yes		51 %
SCA PREMIER SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 72-1386840	SURGERY CENTER	KY	JH	RELATED	3,388	666,017		No	0	Yes		51 %
ST FRANCIS LAND COMPANY LLC 5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 26-3134100	REAL ESTATE	CO	CHIC	RELATED	-130,967	13,823,763		No	0	No		51 %
ST FRANCIS MEDICAL CENTER ASSOCIATES 1717 SOUTH J STREET TACOMA, WA 98405 91-1352698	MED OFFICE	WA	FHS	RELATED	238,717	1,907,063		No	0	No		58 46 %
ST JOSEPH-PAML LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 45-2116736	MGMT SVCS	KY	SJHS	RELATED	30,446	1,149,003		No	0	Yes		62 5 %
SUPERIOR MEDICAL IMAGING LLC 5000 NORTH 26TH STREET LINCOLN, NE 68521 26-2884555	OP DIAGNOSTICS	NE	SERMC	RELATED	-200,323	821,112		No	0	Yes		51 %
SURGERY CENTER OF LEXINGTON LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 62-1179539	SURGERY CENTER	DE	SJHS	RELATED	-200,318	4,079,584		No	0	Yes		51 %
SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 62-1179537	SURGERY CENTER	KY	JH	RELATED	-15,452	396,101		No	0	Yes		51 %
ALEGENT HEALTH NORTHWEST IMAGING CENTER LLC 3606 N 156TH STREET OMAHA, NE 68116 06-1786985	OP DIAGNOSTICS	NE	ACH	RELATED	116,752	776,649		No	0	Yes		51 %
BERGAN MERCY SURGERY CENTER LLC 7710 MERCY ROAD STE 100 OMAHA, NE 68124 20-8671994	AMBUL SURG CTR	NE	ACH	RELATED	142,085	3,294,472		No	0	No		63 94 %
LAKESIDE AMBULATORY SURGICAL CENTER LLC 17031 LAKESIDE HILLS DR OMAHA, NE 68130 20-4267902	AMBUL SURG CTR	NE	ACH	RELATED	3,465,880	1,951,221		No	0	No		51 6 %
LAKESIDE ENDOSCOPY CENTER LLC 17001 LAKESIDE HILLS PLZ STE 201 OMAHA, NE 68130 20-5544496	ENDOSCOPY SRVC	NE	ACH	RELATED	1,455,294	1,013,126		No	0	No		52 28 %
NEBRASKA SPINE HOSPITAL LLC 6901 N 72ND STREET OMAHA, NE 68122 27-0263191	SPINE HOSPITAL	NE	ACH	RELATED	10,501,730	17,301,869		No	0	No		51 %
PRAIRIE HEALTH VENTURES LLC 421 S 9TH ST 102 LINCOLN, NE 68508 20-4962103	TECH SERVICES	NE	AH-IMC	RELATED	1,011,804	5,564,586		No	68,565	Yes		62 7 %
SAINT JOSEPH-ANC HOME CARE SERVICES 1700 EDISON DRIVE SUITE 300 MILFORD, OH 45150 26-3330545	HOME HEALTH	KY	JH	RELATED	3,208,139	9,684,824		No	0	No		96 9 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end- of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1	(j) General or Managing Partner?	(k) Percentage ownership
							Yes	No			
LINCOLN CK LEASING LLC  8770 BRYN MAWR SUITE 1370 CHICAGO, IL 60631 26-2496856	REAL ESTATE	NE	SERMC	RELATED	397,452	439,334		No	0	No	53 76 %
HIGHLINE IMAGING LLC  275 SW 160TH ST BURIEN, WA 98166 20-0460005	DIAGNOSTIC	WA	HMC	RELATED	840,222	1,784,058		No	0	No	80 %
HC SL VINTAGE I LLC  18000 WEST SARAH LANE SUITE 250 BROOKFIELD, WI 53045 27-0453767	PROPERTY HOLD	WI	SL CDC - VINTAGE	RELATED	1,027,057	105,658,490		No	0	No	51 %
ST LUKE'S HOSPITAL AT THE VINTAGE LLC  6624 FANNIN SUITE 2505 HOUSTON, TX 77030 26-3734516	HOSPITAL	TX	SL CDC - VINTAGE	RELATED	-19,253,743	69,158,748		No	0	Yes	51 %
PMC HOSPITAL LLC  6624 FANNIN SUITE 2505 HOUSTON, TX 77030 27-3280598	HOSPITAL	TX	SL CDC - PMC	RELATED	1,092,540	20,751,174		No	0	Yes	51 %
ST LUKE'S DIAGNOSTIC CATH LAB LLP  6620 MAIN ST SUITE 1520 HOUSTON, TX 77030 71-0959365	DIAGNOSTIC	TX	SLHS HOLDINGS	RELATED	273,448	868,814		No	0	No	57 3 %
ST LUKE'S LAKESIDE HOSPITAL LLC  6624 FANNIN SUITE 2505 HOUSTON, TX 77030 30-0427437	HOSPITAL	TX	SL CDC - WOODLANDS	RELATED	1,106,628	25,874,619		No	0	Yes	51 %
ST LUKE'S THE WOODLANDS SLEEP CENTER LLC  6624 FANNIN SUITE 800 HOUSTON, TX 77030 46-2795726	DIAGNOSTIC	TX	SLHS HOLDINGS	RELATED	0	0		No	0	No	51 %

(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	(i) Section 512(b)(13) controlled entity?	
								Yes	No
ALTERNATIVE INSURANCE MANAGEMENT SERVICE  3900 OLYMPIC BOULEVARD SUITE 400 ERLANGER, KY 41018 84-1112049	MANAGEMENT SERVICES	CO	CHI	C CORPORATION	0	6,272,746	100 %	Yes	No
AMERICAN NURSING CARE  1700 EDISON DRIVE MILFORD, OH 45150 31-1085414	HOME HEALTH	OH	CHS	C CORPORATION	5,118,606	51,920,207	100 %	Yes	
AMERIMED INC  1700 EDISON DRIVE MILFORD, OH 45150 31-1158699	HOME HEALTH	OH	ANC	C CORPORATION	2,134,392	14,669,219	100 %	Yes	
BC HOLDING COMPANY INC  1850 BLUEGRASS AVE LOUISVILLE, KY 40215 31-1542851	FITNESS CLUB	KY	JH	C CORPORATION	0	0	100 %	Yes	
CADUCEUS MEDICAL ASSOCIATES INC  5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570736	HEALTHCARE	TN	MHCS	C CORPORATION	0	1,008	100 %	Yes	
CAPTIVE MANAGEMENT INITIATIVES  PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0663022	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-2269511	RESEARCH	CO	CIRI	C CORPORATION	-2,286,538	1,241,259	100 %	Yes	
CGH REALTY COMPANY INC  2500 BERNVILLE RD READING, PA 19603 23-2326801	REAL ESTATE	PA	SJHM	C CORPORATION	0	0	100 %	Yes	
COMCARE SERVICES  4231 W 16TH AVENUE DENVER, CO 80204 84-0904813	INACTIVE	CO	CHIC	C CORPORATION	0	0	100 %	Yes	
CONSOLIDATED HEALTH SERVICES  1700 EDISON DRIVE MILFORD, OH 45150 31-1378212	HOME HEALTH	OH	CHI	C CORPORATION	-879,467	52,379,487	100 %	Yes	
DES MOINES MEDICAL CENTER INC  1111 6TH AVENUE DES MOINES, IA 50314 42-0837382	REAL ESTATE	IA	CHI-IA CORP	C CORPORATION	61,204	1,064,032	92 98 %	Yes	
FIRST INITIATIVES INSURANCE LTD  PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 98-0203038	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
FRANCISCAN SERVICES INC  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2487967	HEALTHCARE	CO	CHI	C CORPORATION	-7,868	718,254	100 %	Yes	
GOOD SAMARITAN OUTREACH SERVICES  PO BOX 1990 KEARNEY, NE 68848 47-0659440	MEDICAL CLINIC	NE	CHI NEBRASKA	C CORPORATION	-257,418	180,468	100 %	Yes	
HEALTH SYSTEMS ENTERPRISES INC  PO BOX 1990 KEARNEY, NE 68848 47-0664558	MANAGEMENT	NE	GSH	C CORPORATION	87,278	1,377,820	100 %	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust									
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
HEALTHCARE MGMT SERVICES ORG INC  1149 MARKET ST TACOMA, WA 98402 91-1865474	HEALTH ORG	WA	FHS	C CORPORATION	0	0	100 %	Yes	
MEDQUEST  1301 15TH AVENUE WEST WILLISTON, ND 58801 45-0392137	SALE OF DME	ND	MMC WILLISTON	C CORPORATION	153,510	1,152,715	100 %	Yes	
MERCY PARK APARTMENTS LTD  1111 6TH AVENUE DES MOINES, IA 50314 42-1202422	HOUSING	IA	CHI-IA CORP	C CORPORATION	369,231	1,937,218	100 %	Yes	
MERCY SERVICES CORP  2700 STEWART PARKWAY ROSEBURG, OR 97470 93-0824308	RETAIL SALES	OR	MMC	C CORPORATION	-440,596	1,423,377	100 %	Yes	
MHSERVICES CORPORATION  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 43-1457881	DME	MO	SJRMC	C CORPORATION	0	0	100 %	Yes	
MOUNTAIN MANAGEMENT SERVICES INC  5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570739	MGMT SVC ORG	TN	MHCS	C CORPORATION	96,044	6,465,179	100 %	Yes	
NAZARETH ASSURANCE COMPANY  PO BOX 10073 APO GEORGETOWN, GRAND CAYMAN KY1-1001 CJ 03-0304831	INSURANCE	CJ	CHI	C CORPORATION	0	0	100 %	Yes	
PATIENT TRANSPORT SERVICES INC  1700 EDISON DRIVE MILFORD, OH 45150 31-1100798	HOME HEALTH	OH	ANC	C CORPORATION	-164,340	5,488,275	100 %	Yes	
PHYSICIAN HEALTH SYSTEM NETWORK  1149 MARKET ST TACOMA, WA 98402 91-1746721	HEALTH ORG	WA	FHS	C CORPORATION	0	0	100 %	Yes	
SAINT CLARES PRIMARY CARE INC  66 FORD ROAD DENVILLE, NJ 07834 22-2441202	BILLING SERVICES	NJ	SCCC	C CORPORATION	-357,263	1,361,242	100 %	Yes	
SAMARITAN FAMILY CARE INC  40 W FOURTH ST 1700 DAYTON, OH 45402 31-1299450	HEALTHCARE	OH	SHP	C CORPORATION	0	0	100 %	Yes	
SJH SERVICES CORPORATION  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2307408	HEALTHCARE	CO	FSI	C CORPORATION	-197,039	3,331,737	100 %	Yes	
SJL PHYSICIAN MANAGEMENT SERVICES INC  424 LEWIS HARGETT CR 160 LEXINGTON, KY 40503 27-0164198	MANAGEMENT	KY	SJHS	C CORPORATION	0	0	100 %	Yes	
ST ANTHONY DEVELOPMENT COMPANY  1415 SOUTHGATE PENDLETON, OR 97801 93-1216943	ATHLETIC CLUB	OR	SAH	C CORPORATION	114,663	2,936,102	100 %	Yes	
ST VINCENT COMMUNITY HEALTH SERVICES INC  TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0710785	HEALTHCARE	AR	SVIMC	C CORPORATION	2,408,638	15,225,732	100 %	Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust									
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
ST JOSEPH DEVELOPMENT COMPANY INC  1717 SOUTH J STREET TACOMA, WA 98405 91-1480569	RENTAL	WA	FSI	C CORPORATION	655,478	12,357,418	100 %	Yes	
ST JOSEPH OFFICE PARK ASSOCIATION  1401 HARRODSBURG ROAD BLDG B70 LEXINGTON, KY 40504 61-1079899	MANAGEMENT	KY	SJHS	C CORPORATION	0	882,139	85 %	Yes	
TOWSON MANAGEMENT INC  7601 OSLER DRIVE TOWSON, MD 21204 52-1710750	MANAGEMENT SERVICES	MD	FSI	C CORPORATION	516,457	197,196	100 %	Yes	
COLLABHEALTH MANAGED SOLUTIONS INC  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-1222808	HOLDING CO	CO	CHI	C CORPORATION	0	23,806,707	100 %	Yes	
COLLABHEALTH PLAN SERVICES INC  198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 46-1224037	ADMIN SERVICES	CO	CHMS	C CORPORATION	-1,082,933	38,272,608	100 %	Yes	
HIGHLINE MEDICAL GROUP  15811 AMBAUM BLVD SW 170 BURIEN, WA 98166 91-1407026	MEDICAL SERVICES	WA	HMC	C CORPORATION	-6,049,147	5,689,139	100 %	Yes	
SOUNDPATH HEALTH INC  32129 WEYERHAEUSER WAY S SUITE 201 FEDERAL WAY, WA 98001 42-1720801	INSURANCE	WA	CHPS	C CORPORATION	-154,741	10,976,973	55.6 %	Yes	
SLEHS HOLDINGS INC  6624 FANNIN SUITE 800 HOUSTON, TX 77030 76-0637138	HOLDING CO	TX	SLHS	C CORPORATION	1,425,313	33,114,103	100 %	Yes	
ST LUKE'S ANESTHESIOLOGY ASSOCIATES  6624 FANNIN SUITE 1100 HOUSTON, TX 77030 46-1517163	MEDICAL CLINIC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	
SLMT PARKING INC  6624 FANNIN SUITE 800 HOUSTON, TX 77030 76-0637140	PARKING	TX	SLHS	C CORPORATION	1,117,934	13,768,221	100 %	Yes	
ST LUKE'S 6620 MAIN CONDOMINIUM ASSOCIATION  6624 FANNIN SUITE 1100 HOUSTON, TX 77030 30-0355517	CONDOMINIUM ASSOC	TX	SLPC	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S EPISCOPAL HOSPITAL PHYSICIAN HOSPITAL ORGANIZATION INC  6720 BERTNER HOUSTON, TX 77030 76-0377932	PHO	TX	SLMC	C CORPORATION	6	0	60 %	Yes	
ST LUKE'S MEDICAL ARTS CENTER I CONDOMINIUM ASSOCIATION  6624 FANNIN SUITE 1100 HOUSTON, TX 77030 30-0355518	CONDOMINIUM ASSOC	TX	SLPC	C CORPORATION	0	0	100 %	Yes	
ST LUKE'S MEDICAL TOWER CONDOMINIUM ASSOCIATION  6624 FANNIN SUITE 1100 HOUSTON, TX 77030 76-0298751	CONDOMINIUM ASSOC	TX	SLMTC	C CORPORATION	0	0	100 %	Yes	
SUGAR LAND DOCTOR GROUP  1317 LAKE POINTE PARKWAY SUGAR LAND, TX 77478 45-4270163	MEDICAL CLINIC	TX	SL CHS	C CORPORATION	-1,159,411	566,590	100 %	Yes	

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								Yes	No
THE TEXAS HEART INSTITUTE AT ST LUKE'S EPISCOPAL HOSPITAL DENTON A COOLEY B UILDING CONDOMINIUM ASSOCIATION 6624 FANNIN SUITE 1100 HOUSTON, TX 77030 90-0064009	CONDOMINIUM ASSOC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	
ALEGENT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC  12809 WEST DODGE ROAD OMAHA, NE 68154 47-0802396	MANAGED CARE	NE	ACH	C CORPORATION	5,312,313	4,520,865	100 %	Yes	
ALL SAINTS INSURANCE COMPANY SPC LTD  PO BOX 69 GT 720 WEST BAY ROAD GEORGETOWN, GRAND CAYMAN KY- 1102 CJ	INSURANCE	CJ	SLHS	C CORPORATION	0	43,866,961	100 %	Yes	
VINTAGE DOCTOR GROUP  6624 FANNIN SUITE 1100 HOUSTON, TX 77030	MEDICAL CLINIC	TX	SLMC	C CORPORATION	0	0	100 %	Yes	

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