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A For the 2015 calendar year, or tax year beginning 10-01-2015 , and ending 09-30-2016

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return/terminated

☐ Amended return

☐ Application pending

C Name of organization
MEMORIAL HEALTH SYSTEM

Doing business as

Number and street (or P O box if mail is not delivered to street address)Room/suite

701 NORTH FIRST STREET

City or town, state or province, country, and ZIP or foreign postal code
SPRINGFIELD, IL 627810001

F Name and address of principal officer
EDGAR J CURTIS
701 NORTH FIRST STREET
SPRINGFIELD,IL 627810001

H(a) Is this a group return for subordinates?

☐ Yes ☒ No

H(b) Are all subordinates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶ 5670

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW MHSIL COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1981

M State of legal domicile IL

Part I Summary			
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	17
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	353
	6 Total number of volunteers (estimate if necessary)	6	16
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	288,281
	b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0	0
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	67,631,433	72,458,078
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,734,629	2,017,422
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	-1,194,917	-295,029
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	68,171,145	74,180,471
	14 Benefits paid to or for members (Part IX, column (A), line 4)	568,286	697,883
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	35,658,710	39,377,634
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	34,016,763	36,116,951
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	70,243,759	76,192,468
	19 Revenue less expenses Subtract line 18 from line 12	-2,072,614	-2,011,997
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	280,951,548	271,242,265
	21 Total liabilities (Part X, line 26)	151,695,218	164,974,147
	22 Net assets or fund balances Subtract line 21 from line 20	129,256,330	106,268,118

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

ROBERT W KAY SR VICE PRESIDENT & CFO

Type or print name and title

2017-08-10

Date

Paid Preparer Use Only

Prrnt/Type preparer's name
ZACHARY A FORTSCH

Preparer's signature
ZACHARY A FORTSCH

Date

Check ☐ if self-employed

PTIN
P00052725

Firm's name ▶ RSM US LLP

Firm's EIN ▶ 42-0714325

Firm's address ▶ 1 SOUTH WACKER SUITE 800

CHICAGO, IL 60606

Phone no (312) 634-3400

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form990(2015)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☐

☒

1

Briefly describe the organization's mission

TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE

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 \$ 34,664,516 including grants of \$ 0) (Revenue \$ 1,673,064)

See Additional Data

4b

(Code) (Expenses \$ 9,477,155 including grants of \$ 0) (Revenue \$ 1,755,059)

See Additional Data

4c

(Code) (Expenses \$ 5,084,502 including grants of \$ 0) (Revenue \$ 65,086,696)

See Additional Data

See Additional Data

4d
















Other program services (Describe in Schedule O)

(Expenses \$ 6,691,863 including grants of \$ 697,883) (Revenue \$ 379,134)

4e

Total program service expenses ▶ 55,918,036

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> 	1 Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	2	No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> 	3	No
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? <i>If "Yes," complete Schedule C, Part II</i> 	4 Yes	
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? <i>If "Yes," complete Schedule C, Part III</i> 	5	No
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? <i>If "Yes," complete Schedule D, Part I</i> 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 	8	No
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? <i>If "Yes," complete Schedule D, Part IV</i> 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 	10	No
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? <i>If "Yes," complete Schedule D, Part VI</i> 	11a Yes	
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? <i>If "Yes," complete Schedule D, Part VII</i> 	11b	No
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? <i>If "Yes," complete Schedule D, Part VIII</i> 	11c	No
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? <i>If "Yes," complete Schedule D, Part IX</i> 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> 	11e Yes	
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)? <i>If "Yes," complete Schedule D, Part X</i> 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government 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 or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, 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 25a	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.			
	Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? 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)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		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	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	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	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
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	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		No
9a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
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.		
c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

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 or note to any line in this Part VI

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	17	
	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	Enter the number of voting members included in line 1a, above, who are independent	1b	12	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Did the organization have members or stockholders?	6	Yes	
7a	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?	7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
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?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
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?	16b	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	IL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> 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, address, and telephone number of the person who possesses the organization's books and records	ROBERT W KAY SENIOR VP & CFO 701 NORTH FIRST STREET SPRINGFIELD, IL 627810001 (217) 788-3198

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

Check if Schedule O contains a response or note to any line 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

[illegible]

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	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								6,566,870	697,718	1,847,774

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 ► 61

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	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)	(B)	(C)
Name and business address	Description of services	Compensation
HAROLD O'SHEA BUILDERS INC 3401 CONSTITUTION DR SPRINGFIELD, IL 62711	CONSTRUCTION	10,442,638
SIRIUS COMPUTER SOLUTIONS PO BOX 202289 DALLAS, TX 75320	IT EQUIPMENT & SUPPORT SERVICES	4,373,030
BSA LIFESTRUCTURE INC PO BOX 6069 INDIANAPOLIS, IN 46206	ARCHITECTURAL	2,737,792
CERNER CORPORATION PO BOX 412702 KANSAS CITY, MO 64141	IT CONSULTING SERVICES	2,625,539
SPRINGFIELD CLINIC 1025 SOUTH SEVENTH ST SPRINGFIELD, IL 62703	EHR-IT SUPPORT SERVICES	2,476,290

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 ▶ 49

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f					
Program Service Revenue	2a	MANAGEMENT FEES	Business Code 900099	65,322,535	65,086,696	235,839	
	b	PROGRAM RELATED RENT	900099	5,083,345	5,083,345		
	c	IT REIMBURSED EXPENSES	900099	1,673,064	1,673,064		
	d	MISCELLANEOUS INCOME	900099	782,775	782,775		
	e	RELATED PARTNERSHIP IN	900099	-403,641	-403,641		
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		72,458,078			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,099,116		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		(i) Real					
		10,633,689					
		(ii) Personal					
		13,929,072					
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)		-3,295,383	-3,328,286	2,311	30,592
7a		(i) Securities					
		83,039,435					
		(ii) Other					
		82,121,129					
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		918,306			918,306
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
a							
b		Less direct expenses					
c		Net income or (loss) from fundraising events . .					
9a		Gross income from gaming activities See Part IV, line 19					
a							
b	Less direct expenses						
c	Net income or (loss) from gaming activities . . .						
10a	Gross sales of inventory, less returns and allowances						
a							
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code					
11a	BILLING SERVICE	561000	3,000,354		50,131	2,950,223	
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		3,000,354				
12	Total revenue. See Instructions		74,180,471	68,893,953	288,281	4,998,237	

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 or note to any line in this Part IX



Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	697,883	697,883		
2	Grants and other assistance to domestic individuals. See Part IV, line 22				
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,084,502	5,084,502		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	26,427,751	16,598,115	9,829,636	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,432,430	1,527,703	904,727	
9	Other employee benefits	3,560,594	2,126,059	1,434,535	
10	Payroll taxes	1,872,357	1,174,747	697,610	
11	Fees for services (non-employees)				
a	Management				
b	Legal	855,299		855,299	
c	Accounting	401,241		401,241	
d	Lobbying	133,750		133,750	
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	198,795		198,795	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	7,806,417	5,175,450	2,630,967	
12	Advertising and promotion	838,799		838,799	
13	Office expenses	2,718,647	1,457,923	1,260,724	
14	Information technology	10,638,558	10,577,468	61,090	
15	Royalties				
16	Occupancy	2,472,527	1,839,420	633,107	
17	Travel	169,396	78,547	90,849	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	45,556	20,480	25,076	
20	Interest	1,043,808	1,043,808		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	8,448,237	8,322,888	125,349	
23	Insurance	135,874		135,874	
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	REPAIRS & MAINTENANCE	155,232	154,031	1,201	
b	MINOR PROJECT COSTS	29,278	29,278		
c	FOOD & DIETARY	24,818	9,697	15,121	
d	RECRUITMENT	682		682	
e	All other expenses	37	37		
25	Total functional expenses. Add lines 1 through 24e	76,192,468	55,918,036	20,274,432	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		32,696,790	2	1,990,937
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		2,333,011	4	3,322,863
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	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			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		5,350,306	9	5,680,561
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	311,765,892		
	b	Less: accumulated depreciation	10b	108,771,616	187,339,214	10c 202,994,276
	11	Investments—publicly traded securities		46,667,818	11	49,761,314
	12	Investments—other securities. See Part IV, line 11		1,663,711	12	1,460,811
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		4,900,698	15	6,031,503
	16	Total assets. Add lines 1 through 15 (must equal line 34)		280,951,548	16	271,242,265
Liabilities	17	Accounts payable and accrued expenses		12,788,143	17	12,950,741
	18	Grants payable			18	
	19	Deferred revenue		18,729	19	73,223
	20	Tax-exempt bond liabilities		13,162,349	20	12,692,629
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		99,496,090	23	111,367,013
	24	Unsecured notes and loans payable to unrelated third parties			24	
	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		26,229,907	25	27,890,541
	26	Total liabilities. Add lines 17 through 25		151,695,218	26	164,974,147
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		129,256,330	27	106,268,118
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		129,256,330	33	106,268,118
	34	Total liabilities and net assets/fund balances		280,951,548	34	271,242,265

Part XI

Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

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1	Total revenue (must equal Part VIII, column (A), line 12)	1	74,180,471
2	Total expenses (must equal Part IX, column (A), line 25)	2	76,192,468
3	Revenue less expenses Subtract line 2 from line 1	3	-2,011,997
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	129,256,330
5	Net unrealized gains (losses) on investments	5	1,202,410
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	-22,178,625
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	106,268,118

Part XII

Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

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		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		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	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	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?		No
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		

Additional Data

Software ID:**Software Version:**

EIN: 37-1110690

Name: MEMORIAL HEALTH SYSTEM

Form 990, Part III, Line 4a

4a (Code) (Expenses \$ 34,664,516 including grants of \$ 0) (Revenue \$ 1,673,064)

INFORMATION TECHNOLOGY MEMORIAL HEALTH SYSTEM IS PROACTIVE IN IMPLEMENTING TECHNOLOGY THAT BOTH IMPROVES PATIENT SAFETY, CLINICAL QUALITY, PATIENT OUTCOMES, AND MEMORIAL HEALTH SYSTEM'S BUSINESS PROCESSES. MEMORIAL HEALTH SYSTEM'S STAFF OF EXPERIENCED INFORMATION TECHNOLOGY PROFESSIONALS ARE ON THE CUTTING EDGE OF MEDICAL AND BUSINESS TECHNOLOGY. THEY SUPPORT A VAST ARRAY OF PATIENT CARE AND BUSINESS APPLICATIONS. DURING FY2016 SIGNIFICANT INFORMATION TECHNOLOGY PROJECTS INCLUDED, AMONG OTHERS, THE IMPLEMENTATION OF THE FOLLOWING: PATIENT BEDSIDE CALLS DIRECT TO CAREGIVERS TO PROVIDE A MORE DIRECT RESPONSE TO THE PATIENT, FULLY ELECTRONIC DISCHARGE PROCESS WHICH STREAMLINED THE PROCESS, LOWERED ERRORS AND PROVIDED MORE PATIENT-FRIENDLY MATERIALS, ADVANCED SERVER TECHNOLOGY TO IMPROVE PROCESSING CAPACITY WITH HIGHER RELIABILITY FOR USERS AND LOWER COSTS, EXPANDED A CLINICAL APPLICATION CALLED DBMOTION TO IMPROVE THE INTEROPERABILITY OF MULTIPLE ELECTRONIC HEALTH RECORD (EHR) SYSTEMS IN OUR REGION TO IMPROVE THE COMPLETENESS OF PATIENT INFORMATION AVAILABLE TO PHYSICIANS IN MULTIPLE CITIES, MODERNIZED THE TECHNOLOGY INFRASTRUCTURE AT PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION, OUR NEWEST AFFILIATE, IMPROVED OUR CYBERSECURITY PREPAREDNESS WITH PENETRATION TESTING AND SECURITY PROCEDURES, AND INTEGRATED OUR TECHNOLOGY DOWNTIME PROCESSES WITH THE HEALTH SYSTEM'S DISASTER PREPAREDNESS PROCESS.

Form 990, Part III, Line 4b

4b	(Code) (Expenses \$	9,477,155	including grants of \$	0) (Revenue \$	1,755,059)
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BUILDING AND FACILITY EXPANSION AND IMPROVEMENTS
MEMORIAL HEALTH SYSTEM'S MISSION IS TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE. SAFE, FUNCTIONAL FACILITIES ARE THE FOUNDATION OF THE HEALTHCARE SERVICES WE PROVIDE. CLINICAL PROJECTS THAT BEGAN IN FY2016 - ELECTRICAL MODERNIZATION PROJECT - THE GOAL OF THIS PROJECT IS TO IMPROVE THE ELECTRICAL CAPACITY, SPACE CAPACITY AND MODERNIZE ELECTRICAL EQUIPMENT THAT IS 30 YEARS OLD - OPERATING ROOM (OR) RENOVATIONS BID PACKAGE 1 - ORS 2, 4, 18, AND OTHER MISCELLANEOUS SUPPORT SPACE MODERNIZATION OF 25 YEAR-OLD OR SUITES. THIS WORK INCLUDED REPLACEMENT OF OR LIGHTS, SURGICAL BOOMS, ADDITIONAL FINISHES, AND UPDATED MECHANICAL, ELECTRIC AND PLUMBING (MEP) CONDITIONS. -NURSING UNITS 2B, 3B, 4B, 5B, AND 6B - RENOVATED TO IMPROVE THE INTERIOR OF PATIENT ROOMS AND TO UPGRADE SOME MEP CONDITIONS. DOUBLE OCCUPANCY ROOMS WERE CONVERTED INTO SINGLE OCCUPANCY ROOMS FOR IMPROVEMENT OF THE PATIENT CARE ENVIRONMENT. -2D/3D RENOVATION - UPGRADED SPACE FOR IMPROVEMENT AND EXPANSION OF MEDICAL EDUCATION SUPPORT SPACE. OTHER PROJECTS COMPLETED FOR THE MEDICAL CENTER INCLUDE -400 W. LAWRENCE FINANCE FACILITY - AT A COST OF APPROXIMATELY \$8.7M. REMODELED AND UPGRADED MEP CONDITIONS AND PARKING LOT IMPROVEMENTS. APPROXIMATELY 260 STAFF MEMBERS WERE MOVED TO THIS FACILITY. -STERILE PROCESSING RENOVATION - AT A COST OF APPROXIMATELY \$6.2M. RENOVATED TO IMPROVE CLEAN MATERIAL AND STERILE STORAGE SPACE ALONG WITH UPGRADING MEP CONDITIONS. RENOVATIONS INCLUDED ADDITIONAL CLEANING AND STERILIZATION EQUIPMENT TO INCREASE CAPACITY FOR ADDITIONAL ORS.

4c	(Code) (Expenses \$ 5,084,502 including grants of \$ 0) (Revenue \$ 65,086,696)
<p>SENIOR LEADERSHIPGUIDED BY THE VALUES OF MEMORIAL HEALTH SYSTEM, SENIOR LEADERSHIP IS RESPONSIBLE FOR STRATEGIC PLANNING, PRIORITIZING AMONG COMPETING ISSUES AND ENGAGING IN DIALOGUE AND DECISION-MAKING THAT WILL ENABLE MEMORIAL HEALTH SYSTEM TO ACHIEVE ITS MISSION (TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE), ITS VISION (TO BE A NATIONAL LEADER FOR EXCELLENCE IN PATIENT CARE) AND ITS STRATEGIC GOALS (TO ACHIEVE GREAT PATIENT OUTCOMES, BE A GREAT PLACE TO WORK, BE A GREAT PARTNER FOR PHYSICIANS, PROVIDE A GREAT REGIONAL PRESENCE AND DEMONSTRATE GREAT FINANCIAL STEWARDSHIP) IN FY2016, MHS SENIOR LEADERSHIP REVIEWED AND CONFIRMED THE ORGANIZATION'S STRATEGIC PLAN, 5 YEAR GOALS AND MEASURES OF SUCCESS TO REFLECT EMERGING PRIORITIES RELATED TO HEALTH REFORM, QUALITY IMPROVEMENT, POPULATION HEALTH, CARE COORDINATION AND THE RESULTS OF OUR COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT IN ADDITION, THE LEADERSHIP TEAM EXECUTED THE HEALTH SYSTEM STRATEGIC AND FISCAL YEAR ACTION PLANS AND REPORTED RESULTS TO ITS BOARD IN IN FY2016, MEMORIAL HEALTH SYSTEM UPDATED ITS PERFORMANCE EXCELLENCE MODEL (MEMORIAL PERFORMANCE EXCELLENCE MODEL 2 0) TO SHARPEN OUR FOCUS ON PATIENT SAFETY QUALITY AND HEALTH OUTCOMES MEMORIAL MEDICAL CENTER (MMC) WAS AWARDED THE 2016 AMERICAN HOSPITAL ASSOCIATION MCKESSON QUEST FOR QUALITY AWARD - THE TOP QUALITY AWARD IN THE UNITED STATES LIKEWISE, MMC ACHIEVED 2 OF THE 4 STATEWIDE ILLINOIS HOSPITAL ASSOCIATION EXCELLENCE ACHIEVEMENT AWARDS FOR WORK RELATED TO PALLIATIVE CARE AND THE TREATMENT OF PATIENTS WITH ACUTE HEART PROBLEMS MMC ALSO RECEIVED ITS 3RD MAGNET HOSPITAL DESIGNATION FOR NURSING EXCELLENCE FROM THE AMERICAN NURSES CREDENTIALING CENTER, A STATUS ACHIEVED BY ONLY 3% OF THE HOSPITALS IN THE UNITED STATES THE MMC REHABILITATION PROGRAM ALSO ACHIEVED A 5-FOLD ACCREDITATION FROM THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES IN THE AREAS OF COMPREHENSIVE INPATIENT, COMPREHENSIVE OUTPATIENT, CLOSED HEAD INJURIES, SPINAL CORD INJURIES AND STROKES MMC IS ONE OF ONLY 4 FACILITIES TO RECEIVE A 5-FOLD CARF ACCREDITATION FOR REHABILITATION AND THE ONLY FACILITY IN ILLINOIS MMC RECEIVED ACCREDITATION FOR OUR LUNG VOLUME REDUCTION PROGRAM FROM THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS, ONE OF ONLY FIVE HOSPITALS IN THE UNITED STATES TO RECEIVE THIS DESIGNATION TO FURTHER ACCELERATE ADVANCEMENTS IN QUALITY, PATIENT SAFETY AND CLINICAL INNOVATION IN FY2016, MHS EXPANDED THE MIDWEST HEALTHCARE QUALITY ALLIANCE (MHQA) AND THE QUALITY ALLIANCE PATIENT SAFETY ORGANIZATION (QAPSO) A SUBSIDIARY OF MHQA, BOTH OF WHICH ARE HOUSED IN THE NEW MEMORIAL CENTER FOR LEARNING AND INNOVATION (MCLI) THE MHQA HAS ACHIEVED "MULTI-SPECIALTY PORTFOLIO APPROVAL" FROM THE AMERICAN BOARD OF MEDICAL SPECIALTIES THIS DESIGNATION ALLOWS THE MHQA TO ASSIST PHYSICIANS IN A WIDE RANGE OF MEDICAL SPECIALTIES AND SUB-SPECIALTIES TO ACHIEVE AND MAINTAIN THEIR SPECIALTY CERTIFICATIONS BY PROVIDING CONTINUING MEDICAL EDUCATION (CME) CURRICULUM ON-SITE ON THE MEMORIAL CAMPUS THIS YEAR THE MHQA ALSO BECAME THE UMBRELLA ORGANIZATION FOR THE SOUTHERN ILLINOIS UNIVERSITY OUTCOMES AND ANALYTICAL RESEARCH (SOAR) PROGRAM SOAR'S MISSION IS TO UTILIZE AN EVIDENCE-BASED APPROACH TO IMPROVE HEALTHCARE QUALITY FOR THE PEOPLE OF CENTRAL AND SOUTHERN ILLINOIS IN PARTNERSHIP BETWEEN SIU SURGERY AND MEMORIAL IN FY2016 THE MHQA EXECUTED ITS FIRST NATIONAL PATIENT SAFETY CONFERENCE IN THE MCLI FEATURING INSTITUTE OF MEDICINE AND FEDERAL AVIATION EXPERTS THE EVENT TITLED "FUNDAMENTALLY HUMAN - AN INNOVATIVE EXPLORATION OF PATIENT SAFETY" WAS HELD THE FIRST WEEK OF FY2016 ON OCTOBER 7, 2015 MHQA WAS ALSO INVITED TO DELIVER THREE POSTER PRESENTATIONS AND ONE PODIUM PRESENTATION AT THE 39TH INTERNATIONAL HOSPITAL FEDERATION WORLD WIDE CONGRESS THE MHQA PROJECT "IMPROVING THE SUCCESS OF STRATEGIC MANAGEMENT USING BIG DATA" WAS AWARDED TOP PRIZE FOR BEST PRESENTATION AMONG A FIELD OF 119 PRESENTATIONS FROM 19 COUNTRIES THE AGENCY FOR HEALTHCARE QUALITY AND RESEARCH IN EARLY FY2016 OFFICIALLY CERTIFIED QAPSO AS A FEDERALLY CERTIFIED PATIENT SAFETY ORGANIZATION THE FEDERAL PATIENT AND SAFETY AND QUALITY IMPROVEMENT ACT OF 2005 ESTABLISHED PATIENT SAFETY ORGANIZATIONS (PSOS) TO IMPROVE PATIENT SAFETY AND REDUCE THE INCIDENCE OF ADVERSE PATIENT SAFETY EVENTS THROUGH DATA SHARING SUPPORTED BY STRONG FEDERAL CONFIDENTIALITY AND PRIVILEGE PROTECTIONS MHS AND SOUTHERN ILLINOIS UNIVERSITY HEALTHCARE WERE THE FIRST QAPSO CLIENTS SINCE ACHIEVING FEDERAL PSO CERTIFICATION, TWO OTHER HEALTH SYSTEMS, TWO AMBULANCE COMPANIES AND FIVE SKILLED NURSING HOMES HAVE JOINED QAPSO TO ACCELERATE THEIR PATIENT SAFETY AND QUALITY IMPROVEMENT EFFORTS SPRINGFIELD CLINIC, THE LARGEST MULTI-SPECIALTY PHYSICIAN GROUP IN THE REGION ALSO JOINED QAPSO IN FY2016 LEAN SIX SIGMA (LSS) PROCESS IMPROVEMENT PROGRAM GREW THIS YEAR WITH 28% GROWTH IN THE NUMBER OF CERTIFIED BLACK, GREEN AND WHITE BELTS, 49% GROWTH IN THE NUMBER LSS PROJECTS COMPLETED AND AN AVERAGE OF 40% IMPROVEMENT IN OUTCOMES IN ADDITION TO IMPROVEMENTS IN QUALITY AND PATIENT SAFETY, THESE LSS PROJECTS REDUCED EXPENSES RELATED TO "REWORK AND "WASTE" BY \$10,100,000 IN THE AREA OF LEADERSHIP DEVELOPMENT AND LEARNING, MEMORIAL HEALTH SYSTEM (MHS) WAS 1 OF 10 HEALTH CARE ORGANIZATIONS IN THE UNITED STATES RECOGNIZED AS A BOLD (BEST ORGANIZATIONS FOR LEADERSHIP DEVELOPMENT) AWARD RECIPIENT BY THE NATIONAL CENTER FOR HEALTHCARE LEADERSHIP MHS ALSO ACHIEVED THE 96TH PERCENTILE IN EMPLOYEE ENGAGEMENT IN THE NATIONAL HEALTHCARE PERFORMANCE SOLUTIONS COMPARE GROUP FOR OUR ANNUAL EMPLOYEE SURVEY IN THE AREA OF SYSTEM FACILITY PLANNING AND MANAGEMENT CONSTRUCTION, MHS'S FLAGSHIP HOSPITAL COMPLETED A MULTI-YEAR FACILITY EXPANSION PROJECT THAT INCLUDED THE CREATION OF 114 NEW PRIVATE PATIENT ROOMS, EXPANSION OF SURGICAL FACILITIES, CREATION OF A CENTER FOR LEARNING AND INNOVATION AND INFRASTRUCTURE UPGRADES THAT HAS ENABLED ENERGY CONSERVATION FOR OUR ENTIRE CAMPUS THE NEW FACILITY OPENED IN EARLY FY2016 THE PROJECT TITLED "ADVANCING CARE BY DESIGN" HAS IMPROVED PATIENT ACCESS, SAFETY, COMFORT, PRIVACY AND QUALITY OF CARE FOR THOSE WE SERVE AND WILL DO SO FOR DECADES TO COME THE NEW MEMORIAL CENTER FOR LEARNING AND INNOVATION IS ENHANCING HEALTH PROFESSIONS EDUCATION AND COMMUNITY HEALTH EDUCATION BY OFFERING NEW AND ADVANCED PROFESSIONAL EDUCATIONAL OPPORTUNITIES FOR MEMORIAL STAFF, SIU SCHOOL OF MEDICINE FACULTY, RESIDENTS AND STUDENTS AND OTHER REGIONAL HEALTHCARE ACADEMIC PARTNERS FOR EXAMPLE, THE MCLI INCLUDES A STATE-OF-THE ART CLINICAL SIMULATION CENTER FEATURING TRAUMA, EMERGENCY, AMBULANCE, OBSTETRICS, INPATIENT NURSING, HOME AND OTHER CARE SETTINGS SUCH AS SURGICAL SKILLS LABORATORIES MEMORIAL HAS ALSO PARTNERED WITH THE UNIVERSITY OF ILLINOIS - SPRINGFIELD AND UNIVERSITY OF ILLINOIS - CHICAGO TO INTRODUCE A NEW BACHELOR'S OF SCIENCE NURSING (BSN) IN SPRINGFIELD THIS PARTNERSHIP, BASED IN THE MCLI, WILL HELP DOWNSTATE ILLINOIS MEET THE GROWING DEMAND FOR HIGHLY QUALIFIED REGISTERED NURSES TO SERVE THE COMMUNITY</p>	

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

(Code) (Expenses \$ 6,691,863 including grants of \$ 697,883) (Revenue \$ 379,134)

OTHER REVENUE INCLUDES PARTNERSHIP INCOME AND MISCELLANEOUS INCOME FOR MHS AND MEMORIAL HEALTH PARTNERS (MHP) MHP IS A DISREGARDED ENTITY OWNED 100% BY MHS FOR FY2016, MHS RECORDED A LOSS IN THE BJC COLLABORATIVE, LLC AND IN MIDWEST HEALTHCARE QUALITY ALLIANCE, LLC (MHQA) MHS ALSO HAD CARE COORDINATION PAYMENTS FOR MHP, A CHARGEBACK FOR STAFF TIME TO LINCOLN LAND HEALTH INFORMATION EXCHANGE, LLC IN WHICH MHS IS A 27 27% OWNER, AND A DISTRIBUTION FROM MID-AMERICA SERVICE SOLUTIONS IN WHICH MHS IS A 11 1% OWNER

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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOSEPH HURWITZ BOARD MEMBER	2 00	X						0	0	0
JAMES BRUNER BOARD MEMBER (THRU DEC 15)	1 70	X						0	0	0
MARK FERGUSON BOARD MEMBER (THRU DEC 15)	1 60	X						0	0	0
RICHARD LEVI BOARD MEMBER	0 80	X						0	0	0
NINA HARRIS BOARD MEMBER (FROM JAN 16)	1 00	X						0	0	0
HOWARD PETERS III BOARD MEMBER	0 70	X						0	0	0
SERGIO PECORI BOARD MEMBER	1 10	X						0	0	0
WILLIAM PUTMAN MD BOARD MEMBER	0 90	X						0	0	0
MICHAEL NEUMEISTER MD BOARD MEMBER	0 70	X						0	0	0
REGINALD BENTON BOARD MEMBER	0 70 1 40	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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JANET TERRY BOARD MEMBER (THRU DEC 15)	0 70	X						0	0	0
GINNY FANNING BOARD MEMBER (FROM JAN 16)	0 70	X						0	0	0
SUSAN KOCH EDD BOARD MEMBER (FROM JAN 16)	0 70	X						0	0	0
DEAN ROBERT JR BOARD MEMBER/2NDVCHR (FROM JAN 16)	0 70	X		X				0	0	0
JOHN BLACKBURN CHAIRMAN(THRU DEC 15)/BOARDMEM	1 70	X		X				0	0	0
DALE BECKER TREASURER	1 50	X		X				0	0	0
RANDALL GERMERAAD 1ST VICE CHAIR(THRUDEC15)/CHAIR	0 80	X		X				0	0	0
DIANE RUTLEDGE PHD 2NDVCHAIR(THRUDEC15)/1STVCHAIR	1 00	X		X				0	0	0
GEOFFREY ISRINGHAUSEN SECRETARY	0 70	X		X				0	0	0
EDGAR CURTIS EX-OFFICIO PRESIDENT & CEO	25 00 25 00	X		X				1,638,194	0	298,081

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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ROBERT KAY SVP & CFO & ASST TREASURER	25 00			X				604,312	0	210,666
MITCHELL JOHNSON SVP & CHIEF STRATEGY OFFICER	25 00				X			382,883	0	202,282
DAVID GRAHAM MD SVP & CIO	25 00				X			551,715	0	150,310
RAJESH GOVINDAIAH MD SVP & CMO	25 00				X			583,666	0	79,924
ROBERT SCOTT VP & CHRO	25 00				X			327,000	0	57,611
KEVIN ENGLAND VP BUSINESS DEVELOPMENT	25 00				X			335,068	0	156,732
ANNA EVANS JD GEN COUNSEL/VP INT AUDIT & COMPL	25 00				X			321,959	0	209,408
CHARLES CALLAHAN PHD EVP & COO	25 00				X			0	697,718	109,010
MELISSA MCGLASSON VP FINANCE	25 00					X		286,528	0	42,986
AIMEE ALLBRITTON PHD VP & CLO	25 00					X		330,546	0	62,388

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
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
LAURA COSSEY SYS DIR INT AUDIT/COMPL	25 00 25 00					X		186,499	0	27,299
MADONNA CROMPTON SYS DIR CLINICAL INFORMATICS	25 00 25 00					X		176,458	0	30,717
JERRY MILLER ADMIN IS OPERATIONS	25 00 25 00					X		176,198	0	35,411
DOUGLAS RAHN DBA EVP & COO (THRU MARCH 14)	0 00 50 00						X	665,844	0	174,949

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

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

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

1

☐

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

2

☐

A school described in **section 170(b)(1)(A)(ii).**(Attach Schedule E (Form 990 or 990-EZ))

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 in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g

a

☐

Type I. A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b

☒

Type II. A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c

☐

Type III functionally integrated. A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d

☐

Type III non-functionally integrated. A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e

☐

Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f

Enter the number of supported organizations

11

g

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii)EIN	(iii) Type of organization (described on lines 1- 9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
See Additional Data Table						
Total11					0	

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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any unusual grants)						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years.If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage		
14	Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14
15	Public support percentage for 2014 Schedule A , Part II, line 14	15
16a	33 1/3% support test—2015.If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	
b	33 1/3% support test—2014.If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	
17a	10%-facts-and-circumstances test—2015.If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization	
b	10%-facts-and-circumstances test—2014.If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization	
18	Private foundation.If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	

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

(Complete only if you checked the box on line 9 of Part I 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)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a)2011	(b)2012	(c)2013	(d)2014	(e)2015	(f)Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2015. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support tests—2014. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV Supporting Organizations

(Complete only if you checked a box on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		No
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		No
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		No
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		No
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		No
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>	Yes	
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		No
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part II of Schedule L (Form 990).</i>		No
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		No
b Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		No
c Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		No
10a Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer b below.</i>		No
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		No
b A family member of a person described in (a) above?		No
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		No

Part IV

Supporting Organizations (continued)

Section B. Type I Supporting Organizations

	Yes	No
<div>1</div> <div>Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i></div>		
<div>2</div> <div>Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.</i></div>		

Section C. Type II Supporting Organizations

	Yes	No
<div>1</div> <div>Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i></div>		No

Section D. All Type III Supporting Organizations

	Yes	No
<div>1</div> <div>Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?</div>		
<div>2</div> <div>Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i></div>		
<div>3</div> <div>By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i></div>		

Section E. Type III Functionally-Integrated Supporting Organizations

	Yes	No
<div>1</div> <div>Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions)</div> <div><div><div><input type="checkbox"/></div><div>The organization satisfied the Activities Test. Complete line 2 below.</div></div><div><div><input type="checkbox"/></div><div>The organization is the parent of each of its supported organizations. Complete line 3 below.</div></div><div><div><input type="checkbox"/></div><div>The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).</div></div></div>		
<div>2</div> <div>Activities Test. Answer (a) and (b) below.</div> <div><div><div>2a</div><div>Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i></div></div><div><div>2b</div><div>Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i></div></div></div>		
<div>3</div> <div>Parent of Supported Organizations. Answer (a) and (b) below.</div> <div><div><div>3a</div><div>Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i></div></div><div><div>3b</div><div>Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i></div></div></div>		

Part V

Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1

Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E. ☐

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1	
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI) _____		
2	Acquisition indebtedness applicable to non-exempt use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		Current Year	
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions). <input type="checkbox"/>		

Part V **Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)**

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 Total annual distributions. Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2015 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1 Distributable amount for 2015 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2015 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2015			
a			
b			
c			
d From 2013. _____			
e From 2014. _____			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2015 distributable amount			
i Carryover from 2010 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2015 from Section D, line 7 \$ _____			
a Applied to underdistributions of prior years			
b Applied to 2015 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2015, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2015 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 Excess distributions carryover to 2016. Add lines 3j and 4c			
8 Breakdown of line 7			
a			
b			
c Excess from 2013. _____			
d From 2014. _____			
e From 2015. _____			

Part VI **Supplemental Information.**

Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

990 Schedule A, Supplemental Information

Return Reference	Explanation
SECTION A, LINE 1	IN THE MEMORIAL HEALTH SYSTEM GOVERNING DOCUMENTS, THE SUPPORTED ORGANIZATIONS ARE NOT LISTED. HOWEVER, IN ALL SUPPORTED AFFILIATES, WITH THE EXCEPTION OF SPRINGFIELD RESIDENTIAL SERVICES, THE CORPORATE MEMBER IS DESCRIBED IN THE SUPPORTED ORGANIZATIONS GOVERNING DOCUMENTS AS HAVING CERTAIN RESERVED POWERS. FOR SPRINGFIELD RESIDENTIAL SERVICES, IT IS JUST A HISTORICAL RELATIONSHIP WITH MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS.

990 Schedule A, Supplemental Information

Return Reference	Explanation
SECTION A, LINE 6	DURING FY2016, MEMORIAL HEALTH SYSTEM PROVIDED GRANTS OR ALLOCATIONS TO OTHER ORGANIZATION S AND COMMUNITY GROUPS ON BEHALF OF ITS SUPPORTED ORGANIZATIONS THE PURPOSE OF THESE GRAN TS WAS TO FURTHER THE CHARITABLE, SCIENTIFIC AND EDUCATIONAL PURPOSES OF THE SUPPORTED ORG ANIZATIONS AND TO PROMOTE AND SUPPORT THE INTERESTS AND PURPOSES OF THOSE SUPPORTED ORGANI ZATIONS SPECIFIED IN MEMORIAL HEALTH SYSTEM'S ORGANIZING DOCUMENTS

990 Schedule A, Supplemental Information

Return Reference	Explanation
SECTION C, LINE 1	MEMORIAL HEALTH SYSTEM SERVES AS THE SOLE CORPORATE MEMBER OF THE SUPPORTED ORGANIZATIONS IN ITS CAPACITY AS THE SOLE CORPORATE MEMBER, MEMORIAL HEALTH SYSTEM HAS CERTAIN RESERVED POWERS THAT PROVIDE CONTROL OVER THE SUPPORTED ORGANIZATIONS FOR EXAMPLE, ALL CAPITAL AN D OPERATING BUDGETS MUST BE APPROVED BY MEMORIAL HEALTH SYSTEM

Schedule A (Form 990 or 990-EZ) 2015

Additional Data

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

Form 990, Sch A, Part I, Line 11g - Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii)EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		Amount of monetary support (see instructions) (v)	(vi) Amount of other support (see instructions)
			Yes	No		
(A) MEMORIAL MEDICAL CENTER	370661220		Yes		0	0
(A) PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION	370661230		Yes		0	0
(B) ABRAHAM LINCOLN MEMORIAL HOSPITAL	370723793		Yes		0	0
(C) TAYLORVILLE MEMORIAL HOSPITAL	370661250		Yes		0	0
(D) MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	370646367		Yes		0	0
SPRINGFIELD (E) RESIDENTIAL SERVICES	371298589		Yes		0	0
ABRAHAM LINCOLN (F) HEALTHCARE FOUNDATION	363492268		Yes		0	0
(G) MEMORIAL MEDICAL CENTER FOUNDATION	371110301		Yes		0	0
MEMORIAL HOME (H) SERVICES	370714225		Yes		0	0
(I) MEMORIAL PHYSICIAN SERVICES	371181194		Yes		0	0
MEMORIAL HEALTH (J) VENTURES	363492266		Yes		0	0

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

If the organization answered "Yes" on Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" on Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization MEMORIAL HEALTH SYSTEM	Employer identification number 37-1110690
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
2				
3				
4				
5				
6				

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

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

☐ **Y e s** ☐ **No**

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a)2012	(b)2013	(c)2014	(d)2015	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity		(a)		(b)	
		Yes	No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
a	Volunteers?		No		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No		
c	Media advertisements?		No		
d	Mailings to members, legislators, or the public?		No		
e	Publications, or published or broadcast statements?		No		
f	Grants to other organizations for lobbying purposes?	Yes		133,750	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No		
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
i	Other activities?		No		
j	Total. Add lines 1c through 1i.			133,750	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b	If "Yes," enter the amount of any tax incurred under section 4912.				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912.				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

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

Part III-B

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
PART II-B, LINE 1	MEMORIAL HEALTH SYSTEM ENGAGES LOBBYISTS TO ASSIST IT IN MONITORING STATE REGULATIONS IN SUPPORT OF FURTHERING THE MEMORIAL HEALTH SYSTEM MISSION WHICH IS "TO IMPROVE THE HEALTH OF THE PEOPLE AND COMMUNITIES WE SERVE" THIS INCLUDES ASSISTING MEMORIAL HEALTH SYSTEM IN DEVELOPING PRESENTATIONS TO THE ILLINOIS CONGRESSIONAL DELEGATION, REQUESTING APPROPRIATIONS FOR PRIORITY PROJECTS INVOLVING LOCAL PATIENT SAFETY, QUALITY IMPROVEMENT AND IMPROVED LOCAL ACCESS TO MEDICAL CARE. THE LOBBYISTS ALSO ASSIST MEMORIAL IN COMMUNICATING THE IMPORTANCE OF ADEQUATE MEDICAID FUNDING IN SUPPORT OF THE SUBSTANTIAL SERVICES MEMORIAL'S AFFILIATES PROVIDE TO THOSE IN POVERTY AND IN MONITORING LEGISLATIVE AND REGULATORY DEVELOPMENTS THAT WOULD AFFECT MEMORIAL HEALTH SYSTEM'S ABILITY TO CONTINUE DELIVERING ITS SUBSTANTIAL COMMUNITY BENEFIT.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

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

1

Total number at end of year

(a) Donor advised funds

(b) Funds and other accounts

2

Aggregate value of contributions to (during year)

3

Aggregate value of grants from (during year)

4

Aggregate value at end of year

5

Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?

☐ Yes

☐ No

6

Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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" on Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

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

Total acreage restricted by conservation easements

c

Number of conservation easements on a certified historic structure included in (a)

d

Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

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

☐ Yes

☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year
▶

7

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

8

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

☐ Yes

☐ No

9

In Part 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" on 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)

Revenue included on Form 990, Part VIII, line 1

▶ \$

(ii)

Assets included in Form 990, Part X

▶ \$

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenue included on Form 990, Part VIII, line 1

▶ \$

b

Assets included in Form 990, Part X

▶ \$

Part III

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

(continued)

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?

☐ 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	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2

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

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Temporarily restricted endowment ▶

The percentages on 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

3a(i)

3a(ii)

Yes

No

b

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

3b

4

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

Part VI

Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a.See Form 990, Part X, line 10.

Description of property	(a)Cost or other basis (investment)	(b)Cost or other basis (other)	Accumulated (c)depreciation	(d)Book value
1a Land	1,788,189	23,641,141		25,429,330
b Buildings	123,421,015	60,140,147	51,849,219	131,711,943
c Leasehold improvements				
d Equipment	1,688,636	67,758,810	55,297,045	14,150,401
e Other	15,461,846	17,866,108	1,625,352	31,702,602
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ▶				202,994,276

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.						
1	Total revenue, gains, and other support per audited financial statements	1	89,465,186			
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12					
a	Net unrealized gains (losses) on investments				2a	1,202,410
b	Donated services and use of facilities				2b	
c	Recoveries of prior year grants				2c	
d	Other (Describe in Part XIII)				2d	338,307
e	Add lines 2a through 2d	2e	1,540,717			
3	Subtract line 2e from line 1	3	87,924,469			
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	198,795
b	Other (Describe in Part XIII)				4b	-13,942,793
c	Add lines 4a and 4b				4c	-13,743,998
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	74,180,471			

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.						
1	Total expenses and losses per audited financial statements	1	88,827,978			
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	12,834,305
e	Add lines 2a through 2d	2e	12,834,305			
3	Subtract line 2e from line 1	3	75,993,673			
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	198,795
b	Other (Describe in Part XIII)				4b	
c	Add lines 4a and 4b				4c	198,795
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	76,192,468			

Part XIII Supplemental Information	
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.	
Return Reference	Explanation
See Additional Data Table	

Part XIII **Supplemental Information** *(continued)*

Return Reference	Explanation

Additional Data

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

Supplemental Information

Return Reference	Explanation
PART X, LINE 2	THE AUTHORITATIVE GUIDANCE IN ASC 740, INCOME TAXES, CREATES A SINGLE MODEL TO ADDRESS UNCERTAINTY IN TAX POSITIONS AND CLARIFIES THE ACCOUNTING FOR INCOME TAXES BY PRESCRIBING THE MINIMUM RECOGNITION THRESHOLD A TAX POSITION IS REQUIRED TO MEET BEFORE BEING RECOGNIZED IN THE FINANCIAL STATEMENTS UNDER THE REQUIREMENTS OF THIS GUIDANCE, TAX-EXEMPT ORGANIZATIONS COULD BE REQUIRED TO RECORD AN OBLIGATION AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS EACH OF MEMORIAL HEALTH SYSTEM'S SUBSIDIARIES, EXCLUDING THOSE DESCRIBED IN THE FOLLOWING PARAGRAPH, IS A SEPARATELY INCORPORATED NOT-FOR-PROFIT CORPORATION AS DESCRIBED UNDER SECTION 501(C)(3) OF THE CODE AND IS TAX-EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE THEY DO, HOWEVER, OPERATE CERTAIN PROGRAMS THAT MAY RESULT IN UNRELATED BUSINESS INCOME UPON REVIEW AS REQUIRED BY ASC 740, NO TAX PROVISION WAS RECORDED FOR THE YEARS ENDED SEPTEMBER 30, 2016 OR 2015 MEMORIAL PROPERTIES (MP), MEMORIAL HEALTH PARTNERS (MHP), AND MHS QUALICB, LLC (QUALICB) ARE CONSIDERED DISREGARDED ENTITIES FOR TAX PURPOSES AND ARE EXEMPT FROM INCOME TAX MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS (MHSCI) IS A TAXABLE FOR-PROFIT CORPORATION AND PASSAVANT PHYSICIAN ASSOCIATION (PPA) IS A TAXABLE NOT-FOR-PROFIT CORPORATION BOTH ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES

Supplemental Information

Return Reference	Explanation
PART XI, LINE 2D - OTHER ADJUSTMENTS	NONOPERATING CHANGE IN FV OF INT RATE SWAPS 338,307

Supplemental Information

Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS	REIMBURSED IT EXPENSES 1,673,064 RENTAL EXPENSES REPORTED IN F/S AS EXPENSE 990 AS NET -1 3,929,072 RELATED PARTNERSHIP INCOME BOOK/TAX DIFFERENCE -221,531 REIMBURSED EXEC SALARI ES IN MGMT FEE -1,465,254

Supplemental Information

Return Reference	Explanation
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES REPORTED IN F/S AS EXPENSE 990 AS NET 13,929,072 REIMBURSED IT EXPENSES - 1,673,064 NONOPERATING OTHER EXPENSE 1,276,180 NONOPERATING CONTRIBUTIONS EXPENSE - 697,8 83

2015

Open to Public Inspection

37-1110690

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

[illegible]

3 Enter total number of other organizations listed in the line 1 table 1

Part III

Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
PART I, LINE 2	MHS PROVIDES GRANTS PRIMARILY TO LOCALLY MANAGED 501(C)(3) ORGANIZATIONS THAT SUPPORT OR SHARE THE MISSION OF MHS REQUESTS TO SUPPORT INITIATIVES IN LINE WITH MHS'S COMMUNITY HEALTH NEEDS ASSESSMENT PRIORITIES RECEIVE SPECIAL CONSIDERATION SENIOR LEADERSHIP MUST APPROVE ALL GRANTS MHS EMPLOYEES ARE VOLUNTEER BOARD MEMBERS OR PARTICIPATE AS VOLUNTEERS FOR SOME OF THE ORGANIZATIONS THAT MHS ASSISTS WHEN AN ORGANIZATION IS GIVEN A DONATION, IT EITHER AGREES TO RESTRICT THE DONATION TO THE PURPOSE FOR WHICH IT WAS REQUESTED OR IT RECEIVES A LETTER DIRECTING THAT DONATION MAY BE USED ONLY FOR THE APPROVED GRANT'S PURPOSE ADDITIONALLY, EMPLOYEES FREQUENTLY ATTEND MANY OF THE SPONSORED EVENTS OR MHS RECEIVES ACKNOWLEDGEMENT FROM THE ORGANIZATION ABOUT THE PROGRAM THAT WAS SUPPORTED BY THE GRANT

Additional Data

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

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
UNITED WAY OF CENTRAL ILLINOIS INC 1999 WEST WABASH AVENUE SUITE 107 SPRINGFIELD,IL 62704	37-0716060	501(C)(3)	166,424				SUPPORT FOR UNITED WAY COMMUNITY FUND
GREATER SPRINGFIELD CHAMBER OF COMMERCE 1011 S SECOND STREET SPRINGFIELD,IL 62704	37-0710280	501(C)(6)	90,050				SEE PART IV PARTICIPATE IN A PUBLIC AND PRIVATE ECONOMIC GROWTH PARTNERSHIP LED BY THE CHAMBER OF COMMERCE
HOSPITAL SISTERS MISSION OUTREACH PO BOX 1665 SPRINGFIELD,IL 62705	35-2271729	501(C)(3)	28,724				SEE PART IV RESPONDS TO THE SICK, POOR AND NEEDY THROUGH MEDICAL EQUIPMENT AND SUPPLY RECOVERY AND DISTRIBUTION PROGRAM AND EDUCATION AND AWARENESS OPPORTUNITIES

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
BOYS & GIRLS CLUBS OF CENTRAL ILLINOIS 300 S 15TH ST SPRINGFIELD,IL 62703	37-0752849	501(C)(3)	50,000				SEE PART IV PROVIDE SUPPORT TO INSPIRE AND ENABLE ALL YOUNG PEOPLE TO REACH THEIR FULL POTENTIAL AS PRODUCTIVE, CARING, AND RESPONSIBLE CITIZENS
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS 710 N 8TH ST SPRINGFIELD,IL 62702	37-0646367	501(C)(3)	176,701				SEE PART IV PROVIDE SUPPORT FOR MEMORIAL BEHAVIORAL HEALTH'S CHILDREN'S MOSAIC PROGRAM, WHICH INCREASES ACCESS TO MENTAL HEALTH SERVICES FOR CHILDREN AND FAMILIES IN ADDITION, TO PROVIDE SUPPORT FOR INITIATION OF A MENTAL HEALTH FIRST AID PROJECT IN SANGAMON, LOGAN, MORGAN AND CHRISTIAN COUNTIES THIS PROGRAM IS HELPING ALL FOUR MHS HOSPITALS ADDRESS MENTAL HEALTH, WHICH WAS A PRIORITY IDENTIFIED BY EACH HOSPITAL'S 2015 COMMUNITY HEALTH NEEDS ASSESSMENT
SPRINGFIELD & CENTRAL IL AFRICAN AMERICAN HISTORY MUSEUM 1440 MONUMENT AVE SPRINGFIELD,IL 62702	02-0775028	501(C)(3)	10,000				SEE PART IV DONATION FOR NEW MUSEUM AND EXHIBITS HONORING CONTRIBUTIONS OF AFRICAN AMERICANS, WITH PARTICULAR FOCUS ON OUTREACH TO MINORITY YOUTH IN THE COMMUNITY

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
LUTHERAN SENIOR SERVICES 1150 HANLEY INDUSTRIAL CT ST LOUIS,MO 63144	43-0654862	501(C)(3)	5,000				SEE PART IV PROVIDE SUPPORT FOR BENEVOLENT CARE FOR SENIORS WHO HAVE OUTLIVED THEIR AVAILABLE RESOURCES
ST PATRICK SCHOOL 1800 S GRAND AVE E SPRINGFIELD,IL 62703	37-0661126	501(C)(3)	5,000				SEE PART IV DONATION SUPPORTING A SCHOOL FOCUSED ON SERVING LOW-INCOME, AT-RISK CHILDREN AND ADDRESSING THEIR SPECIAL NEEDS, INCLUDING MENTAL HEALTH SERVICES THROUGH MEMORIAL'S MOSAIC PROGRAM
SPRINGFIELD URBAN LEAGUE INC 100 NORTH ELEVENTH STREET SPRINGFIELD,IL 62703	37-0765550	501(C)(3)	10,000				SEE PART IV PROVIDE SUPPORT TO ASSIST INDIVIDUALS AND COMMUNITIES TO REACH THEIR FULLEST POTENTIAL AND TO CLOSE EQUALITY GAPS FOR PEOPLE AT ALL ECONOMIC LEVELS AND STAGES OF LIFE

Form 990, Schedule I, Part II, Grants and Other Assistance to Domestic Organizations and Domestic Governments.

(a) Name and address of organization or government	(b) EIN	(c) IRC 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
SIU SCHOOL OF MEDICINE PO BOX 19666 SPRINGFIELD,IL 62794	37-6005961	501(C)(3)	128,341				SEE PART IVDONATION TO PROVIDE SUPPORT FOR THE ENOS PARK ACCESS TO CARE COLLABORATIVE, A PROGRAM THAT IS ADDRESSING ACCESS TO CARE, A PRIORITY IDENTIFIED BY MMC'S 2015 COMMUNITY HEALTH NEEDS ASSESSMENT ADDITIONAL DONATION MADE TO SUPPORT SIU SCHOOL OF MEDICINE'S SIMMONS CANCER INSTITUTE
GIRLS ON THE RUN OF CENTRAL ILLINOIS 907 CLOCKTOWER DRIVE SPRINGFIELD,IL 62704	27-1822009	501(C)(3)	5,250				SEE PART IVPROVIDE SUPPORT FOR POSITIVE YOUTH DEVELOPMENT FOR GIRLS 3RD-8TH GRADE LIFE SKILLS ARE TAUGHT THROUGH DYNAMIC INTERACTIVE LESSONS AND RUNNING GAMES THE GOAL OF THE PROGRAM IS TO UNLEASH CONFIDENCE THROUGH ACCOMPLISHMENT WHILE ESTABLISHING A LIFETIME APPRECIATION OF HEALTH AND FITNESS

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax indemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	
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. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c	No
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization?	5a	No
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III.	5b	No
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization?	6a	No
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III.	6b	No
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7	No
8 Were any amounts reported on 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.	8	No
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

For each individual whose compensation must be reported on 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 in column(B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

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.

Return Reference	Explanation
PART I, LINE 3	COMPENSATION AND BENEFITS RECEIVED BY EDGAR CURTIS, PRESIDENT AND CEO OF MEMORIAL HEALTH SYSTEM, WAS COMPRISED OF THE FOLLOWING COMPONENTS, BASE COMPENSATION, INCENTIVE COMPENSATION, OTHER COMPENSATION, RETIREMENT/DEFERRED COMPENSATION AND OTHER NONTAXABLE BENEFITS. BASE COMPENSATION FOR MR. CURTIS WAS DETERMINED BASED ON THE METHODS DESCRIBED IN PART I, LINE 3 CONDUCTED BY INDEPENDENT COMPENSATION CONSULTANTS. BASE COMPENSATION LEVELS WERE SET BY THE LEADERSHIP COMPENSATION COMMITTEE, AN INDEPENDENT COMMITTEE OF THE MHS BOARD, AT THE 50TH PERCENTILE OF THE RELEVANT COMPENSATION RANGE, AS DETERMINED BY THE INDEPENDENT COMPENSATION CONSULTANTS. INCENTIVE COMPENSATION WAS CONTINGENT ON THE ACHIEVEMENT OF FOUR SPECIFIC PERFORMANCE METRICS OF MHS, AS DEFINED BY THE MHS BOARD. OTHER COMPENSATION IS COMPRISED PRIMARILY OF DEFERRED COMPENSATION PAYOUTS OF \$134,689 MADE DURING THE YEAR FOR COMPENSATION PREVIOUSLY EARNED IN PRIOR YEARS, PAID TIME OFF BANK CASHED IN AND PAID TIME OFF DONATED BACK TO MEMORIAL MEDICAL CENTER FOUNDATION'S ANNUAL FUNDRAISING CAMPAIGN. RETIREMENT COMPENSATION REFLECTS AN INCREASE IN RETIREMENT BENEFITS OWED BY MHS UPON RETIREMENT OF MR. CURTIS. NORMAL RETIREMENT COMPENSATION FOR THE YEAR WAS \$175,524. LASTLY, NONTAXABLE BENEFITS REFLECT THE VALUE OF HEALTH (MEDICAL, DENTAL, LIFE INSURANCE) BENEFITS RECEIVED DURING THE YEAR AS WELL AS CHANGES IN ACTUARIAL VALUE OF THE POSTRETIREMENT HEALTH CARE INSURANCE REIMBURSEMENT PLAN.
PART I, LINE 4B	THE ORGANIZATION OR A RELATED ORGANIZATION, MEMORIAL MEDICAL CENTER, PROVIDES CERTAIN SUPPLEMENTAL RETIREMENT BENEFITS TO THE FOLLOWING OFFICERS, KEY EMPLOYEES, AND HIGHEST COMPENSATED EMPLOYEES: AIMEE ALLBRITTON, PH.D., \$24,553, CHARLES CALLAHAN, PH.D., \$60,296, EDGAR CURTIS, \$830,131, KEVIN ENGLAND, \$269,432, ANNA EVANS, J.D., \$276,182, RAJESH GOVINDAIAH, M.D., \$56,645, DAVID GRAHAM, M.D., \$244,326, MITCHELL JOHNSON, \$193,723, ROBERT KAY, \$246,489, MELISSA MCGLOSSON, \$22,026, DOUGLAS RAHN, D.B.A., \$1,495, AND ROBERT SCOTT, \$25,408. THESE BENEFITS ARE PROVIDED THROUGH A NONQUALIFIED DEFERRED COMPENSATION PLAN, UNDER WHICH THE BENEFITS BEING EARNED ARE SUBJECT TO A "SUBSTANTIAL RISK OF FORFEITURE." THE SUPPLEMENTAL RETIREMENT BENEFITS ARE STRUCTURED TO PROVIDE A RETENTION INCENTIVE THAT HAS BEEN DETERMINED BY THE LEADERSHIP COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF MEMORIAL HEALTH SYSTEM TO BE OF SUBSTANTIAL VALUE TO THE ORGANIZATION. THE FOLLOWING CURRENT OR FORMER OFFICERS, KEY EMPLOYEES, AND HIGHEST COMPENSATED EMPLOYEES RECEIVED DEFERRED COMPENSATION PAYOUTS IN THE CALENDAR YEAR FROM THE ORGANIZATION OR A RELATED ORGANIZATION, MEMORIAL MEDICAL CENTER: CHARLES CALLAHAN, PH.D., \$30,486, EDGAR CURTIS \$397,398, KEVIN ENGLAND, \$8,436, MITCHELL JOHNSON \$61,159, AND DOUGLAS RAHN, D.B.A., \$164,686. TO BECOME ENTITLED TO THE BENEFITS PROVIDED, EACH COVERED EMPLOYEE MUST MEET SUBSTANTIAL REQUIREMENTS RELATING TO FURTHER EMPLOYMENT. UNTIL THOSE REQUIREMENTS ARE SATISFIED, IF EVER, THE EMPLOYEE IS NOT ENTITLED TO THESE AMOUNTS. IF THE EMPLOYEE WERE TO HAVE TERMINATED EMPLOYMENT VOLUNTARILY IN THE YEAR TO WHICH THIS RETURN APPLIES AND NOT MET THESE SUBSTANTIAL REQUIREMENTS, THESE SUPPLEMENTAL RETIREMENT BENEFITS WOULD HAVE BEEN FORFEITED. THESE SUPPLEMENTAL RETIREMENT BENEFITS ARE PART OF A RETIREMENT PROGRAM THAT PROVIDES RETIREMENT INCOME FOR ALL YEARS OF SERVICE THAT THE EMPLOYEE PROVIDES TO THE ORGANIZATION. ACCORDINGLY, ANY RETIREMENT BENEFITS SHOULD BE VIEWED AS APPLYING TO THE ENTIRE LENGTH OF THE EMPLOYEE'S SERVICE. THE LEADERSHIP COMPENSATION COMMITTEE OF THE MHS BOARD APPROVES ALL RETIREMENT BENEFITS, TOGETHER WITH ALL OTHER FORMS OF COMPENSATION AND BENEFITS FOR THESE AND OTHER SYSTEM LEADERS, IN A MANNER INTENDED TO QUALIFY FOR THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER FEDERAL INCOME TAX LAW.
SCHEDULE J, PART II, COLUMN (D)	MEMORIAL HEALTH SYSTEM PROVIDES A POSTRETIREMENT HEALTH CARE INSURANCE REIMBURSEMENT PLAN TO CERTAIN EXECUTIVES AND PHYSICIANS TO REIMBURSE HEALTH INSURANCE COSTS INCURRED BY THE RETIREES AND THEIR SPOUSES. THE CHANGE IN THE ACTUARIAL VALUE OF THE PLAN IS REPORTED ON SCHEDULE J, PART II, COLUMN (D) AS A NONTAXABLE BENEFIT. SCHEDULE J, PART II, COLUMN (D) ALSO INCLUDES OTHER NONTAXABLE BENEFITS SUCH AS MEDICAL, DENTAL, AND LIFE INSURANCE.

Additional Data

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

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(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 in column (B) reported as deferred on prior Form 990
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1EDGAR CURTIS EX-OFFICIO PRESIDENT & CEO	(i)	769,588	373,620	494,986	279,426	18,655	1,936,275	134,689
	(ii)	0	0	0	0	0	0	0
1ROBERT KAY SVP & CFO & ASST TREASURER	(i)	421,891	165,014	17,407	190,738	19,928	814,978	0
	(ii)	0	0	0	0	0	0	0
2MITCHELL JOHNSON SVP & CHIEF STRATEGY OFFICER	(i)	250,690	54,843	77,350	184,702	17,580	585,165	0
	(ii)	0	0	0	0	0	0	0
3DAVID GRAHAM MD SVP & CIO	(i)	385,722	150,155	15,838	135,023	15,287	702,025	0
	(ii)	0	0	0	0	0	0	0
4RAJESH GOVINDAIAH MD SVP & CMO	(i)	402,178	157,144	24,344	72,551	7,373	663,590	0
	(ii)	0	0	0	0	0	0	0
5ROBERT SCOTTVP & CHRO	(i)	247,636	69,190	10,174	41,158	16,453	384,611	0
	(ii)	0	0	0	0	0	0	0
6KEVIN ENGLAND VP BUSINESS DEVELOPMENT	(i)	223,600	78,132	33,336	132,592	24,140	491,800	0
	(ii)	0	0	0	0	0	0	0
7ANNA EVANS JD GEN COUNSEL/VP INT AUDIT & COMPL	(i)	315,392	0	6,567	186,844	22,564	531,367	0
	(ii)	0	0	0	0	0	0	0
8CHARLES CALLAHAN PHD EVP & COO	(i)	0	0	0	0	0	0	0
	(ii)	433,481	169,918	94,319	86,446	22,564	806,728	21,001
9MELISSA MCGLASSON VP FINANCE	(i)	211,619	58,883	16,026	40,130	2,856	329,514	0
	(ii)	0	0	0	0	0	0	0
10AIMEE ALLBRITTON PHD VP & CLO	(i)	235,726	66,231	28,589	45,503	16,885	392,934	0
	(ii)	0	0	0	0	0	0	0
11LAURA COSSEY SYS DIR INT AUDIT/COMPL	(i)	163,081	23,100	318	12,013	15,286	213,798	0
	(ii)	0	0	0	0	0	0	0
12MADONNA CROMPTON SYS DIR CLINICAL INFORMATICS	(i)	159,826	11,180	5,452	22,535	8,182	207,175	0
	(ii)	0	0	0	0	0	0	0
13JERRY MILLER ADMIN IS OPERATIONS	(i)	153,685	22,213	300	12,728	22,683	211,609	0
	(ii)	0	0	0	0	0	0	0
14DOUGLAS RAHN DBA EVP & COO (THRU MARCH 14)	(i)	348,424	129,319	188,101	158,767	16,182	840,793	111,808
	(ii)	0	0	0	0	0	0	0

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Schedule K (Form 990)		Supplemental Information on Tax Exempt Bonds				OMB No 1545-0047	
						2015	
		► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI. ► Attach to Form 990. ► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990 .					
Department of the Treasury		Name of the organization MEMORIAL HEALTH SYSTEM				Employer identification number	
Internal Revenue Service						37-1110690	

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ILLINOIS HEALTH FACILITIES AUTHORITY	36-2780046	45200P2U4	12-17-2003	31,000,000	SEE PART VI		X		X		X
B ILLINOIS FINANCE AUTHORITY	86-1091967	45200FJ59	12-22-2009	147,401,639	SEE PART VI		X		X		X
C ILLINOIS FINANCE AUTHORITY	86-1091967	45203HYQ9	01-30-2014	60,465,495	SEE PART VI		X		X		X
D ILLINOIS FINANCE AUTHORITY	86-1091967		05-15-2014	60,000,000	SEE PART VI		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired	11,585,000		4,210,000					
2	Amount of bonds legally defeased								
3	Total proceeds of issue	31,100,606		147,556,074		60,471,350		60,000,000	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	329,438		1,350,000					
8	Credit enhancement from proceeds	110,306							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	19,254,302		146,206,074		60,471,350		60,000,000	
11	Other spent proceeds	11,406,560							
12	Other unspent proceeds								
13	Year of substantial completion	2004		2011		2015		2015	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X		X		X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X			X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use											
				A		B		C		D	
				Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?				X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?			X		X			X		X

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X			X		X
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
c	Are there any research agreements that may result in private business use of bond-financed property?	X		X			X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 190 %		1 820 %					
6	Total of lines 4 and 5	0 190 %		1 820 %					
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?.		X		X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X		X		X		X	

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X	X		X	
b	Exception to rebate?		X		X		X		X
c	No rebate due?	X		X			X		X
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X		X	X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		X
b	Name of provider	US BANCORP PIPER JAFFRAY FINANCIAL							
c	Term of hedge	1880 0000000000 %							
d	Was the hedge superintegrated?		X						
e	Was the hedge terminated?		X						

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7	Has the organization established written procedures to monitor the requirements of section 148? . . .	X		X		X		X	

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
<p>SCHEDULE K SUPPLEMENTAL INFORMATION</p>	<p>SCHEDULE K ONE SCHEDULE K WAS COMPLETED AT THE PARENT LEVEL ONLY HOWEVER, EACH AFFILIATE IS STILL SHOWING ITS ALLOCATION OF THE LIABILITY ON THE BALANCE SHEET, AS CAN BE SEEN ON THE GROUP RETURN SCHEDULE K PART I, COLUMN (F) CONTINUATIONS ONE PURPOSE OF THE 2003 ISS UE WAS TO CURRENT REFUND \$10,980,000 OF THE 1993 SERIES BONDS ISSUED ON 8/5/93 IN THE AMOU NT OF \$21,245,000 PROCEEDS WERE ALSO USED TO PAY ISSUANCE EXPENSES AND TO PURCHASE EQUIPM ENT AND SOFTWARE FOR MEMORIAL HEALTH SYSTEM PROCEEDS WERE ALSO USED FOR CONSTRUCTION AND HEALTHCARE BUILDING IMPROVEMENTS AND TO CONSTRUCT AND EQUIP AN OUTPATIENT PSYCHIATRIC FACI LITY THE PURPOSE OF THE 2009 ISSUE WAS TO PAY ISSUANCE COSTS, CONSTRUCT AND EQUIP A REPLA CEMENT HOSPITAL FACILITY FOR ABRAHAM LINCOLN MEMORIAL HOSPITAL, RENOVATE AND REMODEL TAYLO RVILLE MEMORIAL HOSPITAL, RENOVATE, REMODEL, AND EQUIP MEMORIAL MEDICAL CENTER, CONSTRUCT A PARKING GARAGE ADJACENT TO MEMORIAL MEDICAL CENTER, CONSTRUCT AND EQUIP A WOUND CARE CEN TER, RENOVATE A PAIN CLINIC, CONSTRUCT AND EQUIP A CONSOLIDATED IMAGING SERVICES AREA, PUR CHASE VARIOUS PARCELS OF REAL PROPERTY IN SPRINGFIELD, IL AND TAYLORVILLE, IL FOR FUTURE E XPANSION OF EXISTING FACILITIES, CONSTRUCT AND EQUIP A SPACE FOR PHYSICAL THERAPY OWNED BY MEMORIAL MEDICAL CENTER AND LOCATED WITHIN THE NEW YMCA IN SPRINGFIELD, IL, AND ROUTINE C APITAL EXPENDITURES THE PURPOSE OF THE 2014A ISSUE WAS (A) TO REPAY TAXABLE DEBT IN THE A MOUNT OF \$25,057,493 USED FOR PAYMENT OF THE COST OF ACQUIRING, CONSTRUCTING, RENOVATING, REMODELING AND EQUIPPING HEALTH FACILITIES AT MEMORIAL MEDICAL CENTER, AND (B) FOR PAYING ADDITIONAL COSTS OF THOSE PROJECTS NOT PREVIOUSLY FINANCED WITH THE TAXABLE DEBT THE PURP OSE OF THE 2014B ISSUE WAS FOR THE PAYMENT OF ACQUIRING, CONSTRUCTING, RENOVATING, REMODELING AND EQUIPPING HEALTH FACILTIES AT MEMORIAL MEDICAL CENTER THE PURPOSE OF THE 2015 ISS UE WAS TO CURRENT REFUND \$22,432,282 OF THE CITY OF JACKSONVILLE ILLINOIS ADJUSTABLE RATE DEMAND INDUSTRIAL REVENUE IMPROVEMENT BONDS, SERIES 2006B THE PROCEEDS WERE ALSO USED TO PAY ISSUANCE EXPENSES OF THE BOND ISSUANCE SCHEDULE K PART II, LINE 3 TOTAL PROCEEDS ISS UED AMOUNT IN COLUMNS A, B, & C DOESN'T TIE TO PART I COLUMN (E) DUE TO INVESTMENT EARNING S INCLUDED IN PART II, LINE 3 SCHEDULE K PART III, LINE 3B & 3D MEMORIAL HEALTH SYSTEM'S INTERNAL COUNSEL, AS WELL AS EXTERNAL BOND COUNSEL, ROUTINELY REVIEWS MANAGEMENT AND SERV ICE CONTRACTS AND RESEARCH AGREEMENTS RELATING TO FINANCED PROPERTY SCHEDULE K PART IV, LINE 1 THE ARBITRAGE REBATE FILING IS ONLY REQUIRED EVERY 5 YEARS, AND NO REBATABLE ARBIT RAGE HAS BEEN EARNED FOR ISSUES AT SUCH 5 YEAR ANNIVERSARIES SCHEDULE K PART IV, LINE 2C THE REBATE COMPUTATION FOR COLUMN A WAS PERFORMED ON 12/17/2013 THE REBATE COMPUTATION F OR COLUMN B WAS PERFORMED ON 12/22/2014, AND NO REBATABLE ARBITRAGE HAS BEEN EARNED FOR TH ESE ISSUES AT SUCH 5 YEAR ANNIVERSARIES SCHEDULE K PART IV, LINE 4B THE PROVIDER'S FULL NAME FOR COLUMN A IS U S BANC</p>

Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	ORP PIPER JAFFRAY FINANCIAL PRODUCTS INC

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493222005057

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2015

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Name of the organization

MEMORIAL HEALTH SYSTEM

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► Attach to Form 990.

► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

Employer identification number

37-1110690

Part I Bond Issues											
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A ILLINOIS FINANCE AUTHORITY	86-1091967		11-30-2015	22,778,000	SEE PART VI		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	22,778,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows	22,432,282							
7	Issuance costs from proceeds	345,718							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X							

Part III Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	2 650 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5	2 650 %							
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?.		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?.								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?.	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X							
b	Exception to rebate?		X						
c	No rebate due?		X						
	If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								

Part IV **Arbitrage** *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148? . . .	X							

Part V **Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI **Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation
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Additional Data

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

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) LEVI RAY AND SHOUP INC	SEE PART V BOARD MEMBER IS OWNER OF LEVI, RAY AND SHOUP, INC	238,777	SEE PART VMEMORIAL HEALTH SYSTEM PAID FEES TO LEVI, RAY AND SHOUP, INC FOR SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2016 IN THE AMOUNT OF \$238,777 RICHARD H LEVI IS A MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS AND IS OWNER OF LEVI, RAY AND SHOUP, INC ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No
(1) SPRINGFIELD CLINIC LLP	PART V BOARD MEMBER IS PARTNER AND BOARD MEMBER OF SPRINGFIELD CLINIC, LLP	1,882,373	SEE PART VMEMORIAL HEALTH SYSTEM PAID FEES TO SPRINGFIELD CLINIC, LLP FOR SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2016 IN THE AMOUNT OF \$1,882,373 A PHYSICIAN AND BOARD MEMBER OF THIS COMPANY, WILLIAM D PUTMAN, M D IS ALSO A BOARD MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No
(2) SORLING LAW OFFICES	PART V BOARD MEMBER IS AN OFFICER OF SORLING LAW OFFICES	318,921	SEE PART VMEMORIAL HEALTH SYSTEM PAID FEES TO SORLING LAW OFFICES FOR SERVICES FOR THE YEAR ENDED SEPTEMBER 30, 2016 IN THE AMOUNT OF \$318,921 AN OFFICER OF SORLING LAW OFFICES, MARK H FERGUSON IS ALSO A BOARD MEMBER OF MEMORIAL HEALTH SYSTEM'S BOARD OF DIRECTORS ALL FEES ARE NEGOTIATED AT FAIR MARKET VALUE FOR THE SERVICES PROVIDED		No

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 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at
www.irs.gov/form990.**2015****Open to Public
Inspection**Name of the organization
MEMORIAL HEALTH SYSTEM**Employer identification number**

37-1110690

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENT CONT	<p>MEMORIAL COLLABORATES WITH COMMUNITY PROVIDERS TO SERVE LOW INCOME AND UNINSURED POPULATIONS IN FY2016, MEMORIAL BEGAN CONSTRUCTION ON A FACILITY EXPANSION FOR THE SIU FAMILY AND COMMUNITY MEDICINE CLINIC FEDERALLY QUALIFIED HEALTH CENTER. THIS EXPANSION WILL DRAMATICALLY INCREASE THE NUMBER OF POOR AND VULNERABLE PATIENTS SERVED BY THE FQHC. IN ADDITION TO FUNDING THE FACILITY EXPANSION, MEMORIAL MEDICAL CENTER PROVIDES INPATIENT AND OUTPATIENT SERVICES TO ALL REFERRED SIU FQHC PATIENTS, REGARDLESS OF ABILITY TO PAY. MMC ASSISTS THE SE PATIENTS TO APPLY FOR ANY INSURANCE PROGRAMS FOR WHICH THEY ARE ELIGIBLE AND ACCEPTS THE FQHC RECOMMENDED SLIDING SCALE FEE OR, IF THE PATIENT IS NOT ABLE TO PAY HIS/HER PORTION OF THE BILL, THE AMOUNT IS FORGIVEN UNDER THE HOSPITAL'S CHARITY CARE PROGRAM. IN FY2016 MEMORIAL HEALTH SYSTEM COMPLETED ITS YEAR ONE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) IMPLEMENTATION PLAN TO ADDRESS ACCESS TO CARE, OBESITY AND MENTAL HEALTH, THE TOP COMMUNITY HEALTH PRIORITIES. ONE PART OF THE CHNA IMPLEMENTATION PLAN IS THE "ENOS PARK ACCESS COLLABORATIVE" IN PARTNERSHIP WITH HSHS ST. JOHN'S HOSPITAL IN SPRINGFIELD AND THE SIU SCHOOL OF MEDICINE DEPARTMENT OF FAMILY AND COMMUNITY MEDICINE FEDERALLY QUALIFIED HEALTH CENTERS. STARTING IN FY2016, MMC AND HSHS ST. JOHN'S HOSPITAL EACH IS PROVIDING 50% OF THE FUNDING FOR COMMUNITY HEALTH WORKERS (CHW) AND AN ELEMENTARY SCHOOL-BASED MENTAL HEALTH COUNSELOR TO WORK IN THE COMMUNITY. THESE CHW AND MENTAL HEALTH COUNSELORS HAVE IDENTIFIED HEALTH NEEDS (INCLUDING SOCIAL DETERMINANTS OF HEALTH) AND BARRIERS TO ACCESSING NEEDED SERVICES FOR THE MOST VULNERABLE POPULATIONS IN A TARGETED RESIDENTIAL NEIGHBORHOOD WITH SIGNIFICANT LEVELS OF POVERTY AND OTHER RISK FACTORS. THEY ALSO WORK WITH LOCAL HEALTH AND SOCIAL SERVICE PROVIDERS TO OVERCOME IDENTIFIED BARRIERS TO RECEIVE THE HELP THEY NEED. THROUGH THIS COLLABORATIVE, WE ORGANIZED A STEERING COMMITTEE, A COMMUNITY ADVISORY GROUP (NEIGHBORHOOD RESIDENTS), AND A PROVIDER ALLIANCE GROUP (LOCAL SOCIAL SERVICE AGENCIES). WE PARTNERED WITH THE ENOS PARK NEIGHBORHOOD IMPROVEMENT ASSOCIATION. THE FIRST YEAR HAS GREATLY EXCEEDED OUR EXPECTATIONS. 455 PEOPLE HAVE BEEN IMPACTED (SOME ASSISTED THROUGH MORE THAN ONE SERVICE). HIGHLIGHTED RESULTS INCLUDE 111 CLIENTS SERVED BY CHWS, 100% ARE NOW INSURED AND IN A PRIMARY CARE MEDICAL HOME (51% INCREASE), 39 PRIMARY CARE APPOINTMENTS, CHWS ACCOMPANIED CLIENTS TO 290 MD VISITS, 40 DENTAL APPOINTMENTS, 44 RECEIVED MENTAL HEALTH SERVICES, 38 % REDUCTION IN UNNECESSARY EMERGENCY DEPARTMENT VISITS, PROVIDED TRANSPORTATION 983 TIMES, 19 YOUTH IN SUMMER BIKE CLUB (PARTIALLY FUNDED BY FRIENDS OF MEMORIAL), 27 YOUTH IN SUMMER ENRICHMENT PROGRAM, 12 FAMILIES (28 PEOPLE) THROUGH THE MEMORIAL BEHAVIORAL HEALTH'S MOSAIC PROGRAM, 26 PAROLEES (RECIDIVISM RATE WAS 19% VS 56.7% NATIONALLY), ADDRESSED HOUSING NEEDS, 151 REFERRALS TO SOCIAL SERVICE AGENCIES AND 13% REDUCTION IN POLICE CALLS, NEW COLLABORATION WITH POLICE DEPARTMENT.</p>

Return Reference	Explanation
FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENT CONT	<p>MENT TWO SYSTEM-WIDE COMMUNITY BENEFIT INITIATIVES WERE IMPLEMENTED IN FY2016 TO ADDRESS THE COMMUNITY HEALTH NEEDS ASSESSMENT MENTAL HEALTH AND OBESITY PRIORITIES THE NATIONALLY SANCTIONED, EVIDENCE-BASED MENTAL HEALTH FIRST AID (MHFA) TRAINING INITIATIVE TRAINED 30 CERTIFIED MHFA TRAINERS DURING AN INTENSE 5-DAY TRAINING REGIMEN EACH CERTIFIED MHFA INSTRUCTOR, IN TURN, HAS COMMITTED TO SERVE AS INSTRUCTORS FOR ADDITIONAL 1-DAY MHFA TRAINING SESSIONS THROUGHOUT THE SERVICE AREA DURING FY2017 THE MEMORIAL CENTER FOR WEIGHT LOSS AND WELLNESS, AN EVIDENCE-BASED, PHYSICIAN-LED WEIGHT LOSS PROGRAM EXPANDED FROM ITS INITIAL ADULT-FOCUSED OBESITY PROGRAM BASED AT MEMORIAL MEDICAL CENTER TO SATELLITE PROGRAMS IN A BRAHAM LINCOLN MEMORIAL HOSPITAL AND PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION THE MEMORIAL MEDICAL CENTER PROGRAM ALSO EXPANDED TO PROVIDE OBESITY SERVICES FOR FAMILIES, TEENAGERS AND CHILDREN IN THE AREA OF INFORMATION SYSTEMS, THE TOUCHWORKS ELECTRONIC AMBULATORY HEALTH RECORD HAS BEEN ENHANCED FOR SIU SCHOOL OF MEDICINE PHYSICIANS SO THAT MEMORIAL PHYSICIAN SERVICES (MPS), SPRINGFIELD CLINIC AND SIU SHARE THE SAME AMBULATORY HEALTH RECORD THIS PROVIDES REAL-TIME INFORMATION SHARING TO BETTER COORDINATE CARE ACROSS MULTIPLE SITES OF CARE TO CONTINUE TO IMPROVE THE ORGANIZATION'S POPULATION HEALTH, CHRONIC DISEASE MANAGEMENT AND CARE COORDINATION CAPABILITIES AND INFRASTRUCTURE, A MEMORIAL AMBULATORY HEALTH STRATEGIC PLAN BEGAN TO BE IMPLEMENTED THIS YEAR. THIS PLAN LAYS OUT A ROAD MAP FOR BETTER COORDINATING THE CARE PROVIDED BY OUR MENTAL HEALTH AFFILIATE, HOME SERVICES, HOSPICE, PRIMARY CARE PHYSICIAN OFFICES, DURABLE MEDICAL EQUIPMENT COMPANY, EXPRESSCARE CLINICS, MEMORIAL WEIGHT LOSS AND WELLNESS PROGRAM AND MEMORIAL CARE COORDINATION SERVICES THE FOCUS OF THE PLAN IS TO STRENGTHEN OUR DATA AND WORKFLOWS AROUND THE POPULATION HEALTH BUILDING BLOCKS OF PHYSICIAN LEADERSHIP, WELLNESS AND PREVENTION, CLINICAL PROTOCOLS, CHRONIC DISEASE MANAGEMENT, POPULATION TARGETING, NETWORK MANAGEMENT, UTILIZATION MANAGEMENT, CARE MAP ADHERENCE, CARE MANAGEMENT, OUTREACH AND PATIENT ENGAGEMENT DURING FY2016, MEMORIAL FURTHER EXPANDED MEMORIAL CARE COORDINATION SERVICES TO HELP PATIENTS WITH MULTIPLE CHRONIC DISEASES AND OTHER COMPLEX MEDICAL NEEDS ACHIEVE LONG-TERM HEALTHCARE GOALS AND ACCESS THE CARE THEY NEED SEVERAL STRATEGIES WERE EMPLOYED TO ASSURE ACCESS TO MHS PROVIDERS FOR NEWLY INSURED MEDICAID AND OTHER CONSUMERS ACCESSING THE ILLINOIS HEALTH INSURANCE MARKETPLACE (GET COVERED ILLINOIS) MHS PROVIDERS PARTICIPATED IN ALL THREE AVAILABLE ENROLLMENT OPTIONS MPS PROVIDERS ARE OPEN TO ALL EXISTING MEMBERS PLUS A DESIGNATED NUMBER OF NEW MEMBERS OTHER KEY SUCCESSSES THIS YEAR DIRECTLY RELATED TO STRONG LEADERSHIP INCLUDE STRONG PERFORMANCE IN THE MEDICARE VALUE-BASED PURCHASING PROGRAM RELATED TO CLINICAL QUALITY AND PATIENT SATISFACTION OUTCOMES, AMONG THE LOWEST MEDICARE RE-ADMISSION RATES IN ILLINOIS, AND RETENTION OF THE MHS BOND</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENT CONT	<p>RATING FROM MOODY'S INVESTOR SERVICES OF A1 WITH A STABLE OUTLOOK AND STANDARD & POOR'S OF AA- MHS EMPLOYEE ENGAGEMENT SCORES WERE AT THE 96TH PERCENTILE OF THE NATIONAL COMPARISON GROUP AND POSITIVE CAHPS SATISFACTION SCORES AT ALL FOUR MHS HOSPITALS, MEMORIAL PHYSICIAN SERVICES AND MEMORIAL HOME SERVICES THE ONGOING SUCCESS OF MHS' GREAT PATIENT EXPERIENCE INITIATIVE RESULTED IN 7 OF OUR 13 PATIENT SATISFACTION SURVEYS ACROSS THE HEALTH SYSTEM SCORING AT OR ABOVE THE 75TH PERCENTILE OF THEIR RESPECTIVE NATIONAL PEER GROUPS MMC'S PHYSICIAN SATISFACTION RATINGS WERE AT THE 84TH PERCENTILE OF OUR NATIONAL PHYSICIAN PEER GROUP DURING FY2016, ALL 12 MEMORIAL PHYSICIAN SERVICES PRIMARY CARE PHYSICIAN CLINICS RETAINED THE HIGHEST POSSIBLE LEVEL 3 PATIENT CENTERED MEDICAL HOME DESIGNATION FROM THE NATIONAL COMMISSION ON QUALITY ASSURANCE (NCQA) TO HELP ADDRESS THE SEVERE SHORTAGE OF PSYCHIATRIC BEDS IN THE REGION, PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION OPENED A NEW 10-BED INPATIENT PSYCHIATRIC UNIT THAT HAS DRAMATICALLY INCREASED ACCESS TO MENTAL HEALTH SERVICES IN THE WESTERN PART OF THE MHS SERVICE AREA MHS' SENIOR LEADERSHIP TEAM ALSO LED A SYSTEM-WIDE "STRENGTHEN OUR FUTURE" INITIATIVE TO IMPROVE PROCESSES AND REDUCE COSTS WHILE IMPROVING QUALITY FOR PATIENTS THROUGH THIS INITIATIVE, COSTS WERE REDUCED BY \$28.0 MILLION IN FY2016 THIS IS A PART OF THE OVERALL STRATEGY TO IMPROVE QUALITY WHILE REDUCING COSTS TOWARDS THIS END, MHS SAVED NEARLY \$2.7 MILLION IN FY2016 THROUGH THE BJC COLLABORATIVE, LLC FORMED IN FY2013 THAT NOW INVOLVES EIGHT LEADING HEALTH SYSTEMS IN MISSOURI AND ILLINOIS IN FY2016, OTHER SERVICES WERE DEVELOPED TO BETTER MEET THE NEEDS OF THE POPULATIONS SERVED BY MHS FOR EXAMPLE, MMC EXPANDED ITS DA VINCI ROBOTIC SURGERY PROGRAM TO PROVIDE LESS INVASIVE SURGERIES WITH SHORTER RECOVERY TIMES AND LESS PAIN FOR PATIENTS MMC ALSO LAUNCHED AN ADVANCED HERNIA CENTER AND INITIATED CONSTRUCTION FOR OUR FIRST RETAIL PRIMARY CARE CLINIC IN A LOCAL GROCERY STORE AND FOR OUR 4TH EXPRESSCARE FACILITY AND FIRST LOCATED OUTSIDE THE CITY OF SPRINGFIELD TO SERVE THOSE LIVING IN THE SOUTHERN PART OF OUR PRIMARY SERVICE AREA MMC ALSO RETAINED OUR LEVEL 1 TRAUMA CENTER AND COMPREHENSIVE STROKE CENTER CERTIFICATION, THE HIGHEST LEVEL OF STROKE CERTIFICATION FROM THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS (JCAHO), AMERICAN HEART ASSOCIATION AND AMERICAN STROKE ASSOCIATION MEMORIAL PHYSICIAN SERVICES CONTINUED TO EXPAND "MEMORIALMD SMARTVISIT" WHICH FURTHER INCREASES PATIENT ACCESS TO PRIMARY CARE PHYSICIAN OFFICES BY OFFERING "VIRTUAL CARE" VIA THE SMART PHONES, TABLETS, PERSONAL COMPUTERS OR OTHER ELECTRONIC DEVICES VIA THE INTERNET</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	MEMORIAL HEALTH SYSTEM BOARD MEMBERS JAMES BRUNER, RICHARD LEVI, AND SERGIO PECORI ARE ALL ON THE ILLINOIS NATIONAL BANK BOARD OF DIRECTORS MEMORIAL HEALTH SYSTEM BOARD MEMBER NINA HARRIS AND KEY EMPLOYEE MITCHELL JOHNSON ARE BOARD MEMBERS OF SECURITY BANK TODD WISE AND DIANE RUTLEDGE, PH D ARE BOTH MMC BOARD MEMBERS MR WISE IS AN OFFICER AND DIRECTOR OF UNITED COMMUNITY BANK, WHERE MS RUTLEDGE IS ALSO A UCB BOARD MEMBER

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	THE CORPORATION CONTAINS 100 INDIVIDUAL MEMBERS WHO ELECT THE BOARD OF DIRECTORS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	THE INDIVIDUAL MEMBERS OF THE CORPORATION HAVE THE POWER AND AUTHORITY TO ELECT THE CORPORATION'S BOARD OF DIRECTORS, AS WELL AS THE POWER AND AUTHORITY TO REMOVE MEMBER ELECTED DIRECTORS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	INDIVIDUAL MEMBERS OF THE CORPORATION HAVE NO VOTING RIGHTS WITH RESPECT TO THE MANAGEMENT, CONTROL OR OPERATION OF THE AFFAIRS AND PROPERTIES OF THE CORPORATION ONLY THE BOARD OF DIRECTORS CAN MAKE DECISIONS IN THAT REGARD

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	A FINAL DRAFT COPY OF THE MHS FORM 990 AND ALL ATTACHMENTS IS PROVIDED TO ALL OF THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS AND A BOARD COMMITTEE PRIOR TO FILING. ALL QUESTIONS AND COMMENTS ARISING FROM THESE REVIEWS ARE ADDRESSED PRIOR TO SUBMISSION OF THE RETURN TO THE APPROPRIATE TAXING AUTHORITIES.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	ALL OFFICERS, DIRECTORS AND KEY EMPLOYEES OF THE CORPORATION ARE REQUIRED TO ANNUALLY REVIEW THE CONFLICT OF INTEREST POLICY AND COMPLETE A SPECIFIC DISCLOSURE STATEMENT WHICH IS ATTACHED TO THE POLICY MEMORIAL HEALTH SYSTEM MONITORS AND ENFORCES ITS CONFLICT OF INTEREST POLICY BY IDENTIFYING ANY POTENTIAL CONFLICTS AT THE TIME EACH MEETING AGENDA IS PREPARED ANY OFFICER OR DIRECTOR WHO HAS A CONFLICT IS NOTIFIED OF SUCH CONFLICT, AS WELL AS THEIR OBLIGATION TO ABSTAIN FROM THE DISCUSSION AND VOTE ON ANY CONFLICTED ISSUES(S) SUCH ABSTENTION(S), IF REQUIRED, ARE DOCUMENTED IN THE MINUTES OF EACH MEETING BOARD MEMBERS ARE ALSO REQUIRED TO UPDATE THEIR CONFLICT OF INTEREST DISCLOSURE STATEMENTS PROMPTLY IN THE EVENT OF ANY CHANGE IN PERSONAL OR BUSINESS ACTIVITIES THAT WOULD REQUIRE SUCH DISCLOSURE

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS HAS APPOINTED A LEADERSHIP COMPENSATION COMMITTEE MADE UP OF PAST AND PRESENT INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS, AND HAS DELEGATED TO IT THE RESPONSIBILITY OF ADMINISTERING, OVERSEEING AND APPROVING ALL FORMS OF COMPENSATION AND BENEFITS PROVIDED TO EXECUTIVE LEADERSHIP, INCLUDING THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER AND OTHER SENIOR VICE PRESIDENTS, WHO ARE KEY EMPLOYEES. THE BOARD HAS ADOPTED A LEADERSHIP COMPENSATION PHILOSOPHY STATEMENT DESCRIBING THE ROLE AND RESPONSIBILITIES OF THE COMMITTEE. THIS PHILOSOPHY EXPRESSLY STATES THE COMMITTEE'S INTENT, ON BEHALF OF THE CORPORATION, TO TAKE ALL THE STEPS NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES. THE COMMITTEE ANALYZES EVERY ELEMENT OF COMPENSATION (INCLUDING CURRENT, INCENTIVE AND DEFERRED COMPENSATION) AND BENEFITS (INCLUDING QUALIFIED AND NON-QUALIFIED BENEFITS). THE COMMITTEE CONDUCTS ITS REVIEW AND APPROVAL PROCESS AT LEAST ANNUALLY, AND APPROVES COMPENSATION AND BENEFITS ONLY TO THE EXTENT THAT THE COMMITTEE HAS CONCLUDED THAT THE COMPENSATION AND BENEFITS CONSTITUTE NO MORE THAN REASONABLE COMPENSATION FOR EACH EXECUTIVE. IN CONNECTION WITH THE MOST RECENT REVIEW AND APPROVAL PROCESS, THE COMMITTEE RECEIVED PROFESSIONAL ADVICE FROM AN INDEPENDENT CONSULTANT AND OUTSIDE LEGAL COUNSEL. THE COMMITTEE CONSISTS ENTIRELY OF PAST AND PRESENT DISINTERESTED MEMBERS OF THE BOARD OR DISINTERESTED COMMITTEE MEMBERS WHO UNDER STATE CORPORATE LAW MAY SERVE ON SUCH A COMMITTEE. THE COMMITTEE WORKS WITH ITS COMPENSATION CONSULTANT TO PREPARE AND REVIEW IN ADVANCE COMPREHENSIVE DATA SHOWING THE COMPENSATION PROVIDED BY SIMILARLY SITUATED ORGANIZATIONS FOR FUNCTIONALLY SIMILAR POSITIONS. THE COMMITTEE ALSO PREPARES A TIMELY AND THOROUGH WRITTEN RECORD OF ITS PROCEDURAL CRITERIA NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES.</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS OF MEMORIAL HEALTH SYSTEM, SUCH AS ARTICLES OF INCORPORATION AND ANY AMENDMENTS THERETO, ARE AVAILABLE TO THE GENERAL PUBLIC THROUGH THE ILLINOIS SECRETARY OF STATE'S OFFICE THESE GOVERNING DOCUMENTS, AS WELL AS THE BYLAWS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS, ARE AVAILABLE UPON REQUEST FROM THE CORPORATION THESE DOCUMENTS ARE AVAILABLE FOR THE SAME PERIOD OF TIME AS SET FORTH IN IRC SECTION 6104(D)

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	PURCHASED SERVICES PROGRAM SERVICE EXPENSES 884,422 MANAGEMENT AND GENERAL EXPENSES 1,299,918 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,184,340 PHYSICIAN FEES PROGRAM SERVICE EXPENSES 1,267,326 MANAGEMENT AND GENERAL EXPENSES 188,904 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,456,230 PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 2,821,502 MANAGEMENT AND GENERAL EXPENSES 1,130,964 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,952,466 CONTRACT LABOR PROGRAM SERVICE EXPENSES 202,200 MANAGEMENT AND GENERAL EXPENSES 11,181 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 213,381

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	NONOPERATING RECONCILING ITEMS -239,990 CHANGE IN UNRESTRICTED NET ASSETS -23,625,420 EXEC SALARIES IN MGMT FEE INCOME 1,465,254 RELATED PARTNERSHIP BOOK/TAX DIFF 221,531

990 Schedule O, Supplemental Information

Return Reference	Explanation
SCHEDULE R, PART V, LINE 2	MEMORIAL HEALTH SYSTEM COLLECTED RENTAL INCOME FROM AFFILIATES DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2016 THE VALUES LISTED IN SCHEDULE R, PART V, LINE 2 WERE DETERMINED USING FAIR MARKET VALUE

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990. ► Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Open to Public Inspection

Name of the organization
MEMORIAL HEALTH SYSTEM

Employer identification number
37-1110690

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.					
(a) Name, address, and EIN (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 HEALTH PARTNERS LLC 701 NORTH 1ST STREET SPRINGFIELD, IL 62781 46-3947269	TO COORDINATE PATIENT CARE ACTIVITIES ACROSS THE HEALTHCARE CONTINUUM	IL	452,637	300,000	MEMORIAL HEALTH SYSTEM
(2) MHS QALICB LLC 701 NORTH 1ST STREET SPRINGFIELD, IL 62781 47-5644450	TO FACILITATE NEW MARKETS TAX CREDITS TRANSACTIONS RELATED TO SIU	IL	758,956	25,470,167	MEMORIAL HEALTH SYSTEM

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(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" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS INC 701 NORTH FIRST ST SPRINGFIELD, IL 62781 37-1190216	PROVIDE DURABLE MEDICAL EQUIPMENT AND SUPPLIES TO PATIENTS	IL	MEMORIAL HOME SERVICES	C				Yes	
(2) PASSAVANT PHYSICIAN ASSOCIATION 1600 WEST WALNUT JACKSONVILLE, IL 62650 26-1200566	PHYSICIAN SERVICES	IL	PASSAVANT MEM AREA HOSPITAL ASSOCIATION	C				Yes	

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on 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

1a

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

Yes

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

Yes

1r

No

1s

No

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2015

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

[illegible]

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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Additional Data

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
MEMORIAL MEDICAL CENTER 701 NORTH FIRST ST SPRINGFIELD, IL 627810001 37-0661220	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM	Yes	
MEMORIAL HEALTH VENTURES 701 NORTH FIRST ST SPRINGFIELD, IL 627810001 36-3492266	HEALTHCARE ACTIVITIES	IL	501(C)(3)	509(A)(2)	MEMORIAL HEALTH SYSTEM	Yes	
ABRAHAM LINCOLN MEMORIAL HOSPITAL 200 STAHLHUT DR LINCOLN, IL 62656 37-0723793	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM	Yes	
TAYLORVILLE MEMORIAL HOSPITAL 201 EAST PLEASANT TAYLORVILLE, IL 62568 37-0661250	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM	Yes	
MEMORIAL HOME SERVICES 720 NORTH BOND ST SPRINGFIELD, IL 627024915 37-0714225	HOME HEALTH, HOSPICE, AND CONTINUOUS CARE SERVICES	IL	501(C)(3)	170(B)(1)(A) (VI)	MEMORIAL HEALTH SYSTEM	Yes	
MEMORIAL PHYSICIAN SERVICES 701 NORTH FIRST ST SPRINGFIELD, IL 627810001 37-1181194	HEALTH CLINICS	IL	501(C)(3)	509(A)(2)	MEMORIAL HEALTH SYSTEM	Yes	
MEMORIAL MEDICAL CENTER FOUNDATION 701 NORTH FIRST ST SPRINGFIELD, IL 62781 37-1110301	GRANTS TO HOSPITALS, OTHER CHARITABLE ORGANIZATIONS, AND SCHOLARSHIPS	IL	501(C)(3)	170(B)(1)(A) (VI)	MEMORIAL MEDICAL CENTER	Yes	
TAYLORVILLE MEMORIAL HOSPITAL FOUNDATION 201 EAST PLEASANT TAYLORVILLE, IL 62568 37-1337485	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	170(B)(1)(A) (VI)	N/A		No
MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS 710 NORTH EIGHTH ST SPRINGFIELD, IL 627026395 37-0646367	TRAINING, PSYCHIATRIC, AND RESIDENT SERVICES FOR MENTALLY ILL AND DISABLED	IL	501(C)(3)	170(B)(1)(A) (VI)	MEMORIAL HEALTH SYSTEM	Yes	
ABRAHAM LINCOLN HEALTHCARE FOUNDATION 200 STAHLHUT DR LINCOLN, IL 62656 36-3492268	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	170(B)(1)(A) (VI)	MEMORIAL HEALTH SYSTEM	Yes	
SPRINGFIELD RESIDENTIAL SERVICES 710 NORTH EIGHTH ST SPRINGFIELD, IL 62702 37-1298589	RESIDENTIAL HUD HOUSING PROJECT FOR MENTALLY ILL	IL	501(C)(3)	170(B)(1)(A) (VI)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	Yes	
PASSAVANT MEMORIAL AREA HOSPITAL ASSOCIATION 1600 WEST WALNUT JACKSONVILLE, IL 62650 37-0661230	HOSPITAL SERVICES	IL	501(C)(3)	170(B)(1)(A) (III)	MEMORIAL HEALTH SYSTEM	Yes	
PASSAVANT AREA HOSPITAL FOUNDATION 1600 WEST WALNUT JACKSONVILLE, IL 62650 46-1037396	GRANTS TO OTHER CHARITABLE ORGANIZATIONS AND HOSPITALS	IL	501(C)(3)	170(B)(1)(A) (VI)	PASSAVANT MEM AREA HOSPITAL ASSOCIATION	Yes	
JACKSONVILLE CRNA'S INC 1600 WEST WALNUT JACKSONVILLE, IL 62650 27-3083265	CRNA SERVICES	IL	501(C)(3)	509(A)(2)	PASSAVANT MEM AREA HOSPITAL ASSOCIATION	Yes	

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of related organization		(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(1)	MEMORIAL HEALTH VENTURES	A	492,605	FMV
(1)	MEMORIAL HOME SERVICES	A	108,458	FMV
(2)	MEMORIAL MEDICAL CENTER	A	2,294,568	FMV
(3)	MEMORIAL PHYSICIAN SERVICES	A	1,965,475	FMV
(4)	MEMORIAL HOME SERVICES OF CENTRAL ILLINOIS	A	5,910	FMV
(5)	MEMORIAL PHYSICIAN SERVICES	B	19,234,687	FMV
(6)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	B	675,000	FMV
(7)	MEMORIAL HEALTH VENTURES	J	492,605	FMV
(8)	MEMORIAL HOME SERVICES	J	108,458	FMV
(9)	MEMORIAL MEDICAL CENTER	J	2,294,568	FMV
(10)	MEMORIAL PHYSICIAN SERVICES	J	1,965,475	FMV
(11)	MEMORIAL MEDICAL CENTER	K	151,144	FMV
(12)	MEMORIAL HEALTH VENTURES	L	335,280	FMV
(13)	MEMORIAL PHYSICIAN SERVICES	L	2,189,435	FMV
(14)	MEMORIAL MEDICAL CENTER	M	429,280	FMV
(15)	MEMORIAL MEDICAL CENTER	N	813,628	FMV
(16)	MEMORIAL HOME SERVICES	N	108,458	FMV
(17)	MEMORIAL MEDICAL CENTER	O	5,106,233	FMV
(18)	MEMORIAL PHYSICIAN SERVICES	O	187,878	FMV
(19)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	O	25,480	FMV
(20)	ABRAHAM LINCOLN MEMORIAL HOSPITAL	O	116,337	FMV
(21)	TAYLORVILLE MEMORIAL HOSPITAL	O	125,139	FMV
(22)	MEMORIAL MEDICAL CENTER	P	11,709,286	FMV
(23)	MEMORIAL PHYSICIAN SERVICES	P	3,284,119	FMV
(24)	MEMORIAL MEDICAL CENTER	Q	6,016,251	FMV

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of related organization		(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
(26)	MEMORIAL HOME SERVICES	Q	197,086	FMV
(1)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	Q	141,465	FMV
(2)	MEMORIAL PHYSICIAN SERVICES	Q	3,061,157	FMV
(3)	ABRAHAM LINCOLN MEMORIAL HOSPITAL	Q	164,812	FMV
(4)	TAYLORVILLE MEMORIAL HOSPITAL	Q	135,871	FMV
(5)	PASSAVANT AREA MEMORIAL HOSPITAL	Q	825,580	FMV
(6)	MEMORIAL HEALTH VENTURES	Q	51,523	FMV
(7)	MEMORIAL MEDICAL CENTER	C	2,053,399	FMV
(8)	MEMORIAL HEALTH VENTURES	B	2,320,000	FMV
(9)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	A	25,020	FMV
(10)	MEMORIAL MEDICAL CENTER	L	56,334,513	FMV
(11)	ABRAHAM LINCOLN MEMORIAL HOSPITAL	L	1,664,456	FMV
(12)	TAYLORVILLE MEMORIAL HOSPITAL	L	1,554,842	FMV
(13)	MEMORIAL PHYSICIAN SERVICES	L	5,140,261	FMV
(14)	MENTAL HEALTH CENTERS OF CENTRAL ILLINOIS	L	668,600	FMV
(15)	MEMORIAL HOME SERVICES	L	438,031	FMV
(16)	MEMORIAL HEALTH VENTURES	L	288,756	FMV
(17)	PASSAVANT AREA MEMORIAL HOSPITAL	L	877,250	FMV