

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A For the 2008 calendar year, or tax year beginning** 07/01, 2008, **and ending** 06/30, 2009

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>MERCY MEDICAL CENTER</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>301 ST. PAUL PLACE</b> City or town, state or country, and ZIP + 4 <b>BALTIMORE, MD 21202</b>	<b>D</b> Employer identification number <b>52-0591658</b>
		<b>E</b> Telephone number <b>(410) 332-9000</b>
		<b>G</b> Gross receipts \$ <b>375,689,782.</b>
		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
<b>F</b> Name and address of principal officer: <b>THOMAS MULLEN</b> <b>301 ST PAUL PLACE BALTIMORE, MD 21202</b>		<b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( 3 ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.MDMERCY.COM</b>		
<b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>1949</b> <b>M</b> State of legal domicile: <b>MD</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>ROOTED IN GOD'S HEALING LOVE FOR ALL PEOPLE, AND SPONSORED BY THE SISTERS OF MERCY, MERCY PROVIDES HEALTHCARE FOR PERSONS OF EVERY CREED, COLOR, AND ECONOMIC AND SOCIAL CONDITION.</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>7</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>1</b>
	<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b>	<b>3,277</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>240</b>
	<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>	<b>575,961.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>-615,955.</b>	
<b>Revenue</b>	<b>8</b> Contribution and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>9,948,531.</b>	<b>5,886,074.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>335,424,726.</b>	<b>361,121,789.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>-836,181.</b>	<b>-4,474,247.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>10,732,211.</b>	<b>11,611,857.</b>
		<b>355,269,287.</b>	<b>374,145,473.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)		<b>275,833.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		<b>NONE</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>139,259,923.</b>	<b>162,572,206.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		<b>NONE</b>
	<b>b</b> Total fundraising expenses, Part IX, column (D), line 25) ▶ <b>NONE</b>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>184,349,121.</b>	<b>181,097,930.</b>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>323,609,044.</b>	<b>343,945,969.</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>31,660,243.</b>	<b>30,199,504.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>747,386,010.</b>	<b>764,769,042.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>530,692,103.</b>	<b>547,565,010.</b>
		<b>216,693,907.</b>	<b>217,204,032.</b>

**Part II Signature Block**

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

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

<b>Paid Preparer's Use Only</b>	Preparer's signature ▶ <b>COHEN, RUTHERFORD + KNIGHT, PC</b>	Date <b>05/17/2010</b>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) <b>P00482524</b>
	Firm's name (or yours if self-employed), address, and ZIP + 4 <b>6903 ROCKLEDGE DRIVE, SUITE 500 BETHESDA, MD 20817-1800</b>	EIN ▶ <b>52-1202280</b>	Phone no. ▶ <b>301-828-1002</b>	

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

**Part III Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:

SEE STATEMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 250,610,277. including grants of \$ 275,833. ) (Revenue \$ 369,217,491. )  
SEE STATEMENT 2

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

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

4d Other program services. (Describe in Schedule O.)

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

4e Total program service expenses ► \$ 250,610,277. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5 Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	X	
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5.? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X

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

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		X
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable. . . . .		
1a	399		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .		
1b	NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	X	
1c			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . .		
2a	3,277		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . . Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
2b			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	X	
3a			
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .	X	
3b			
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)? . . . . .		X
4a			
b	If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
4b			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .		X
5a			
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .		X
5b			
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .		
5c			
6a	Did the organization solicit any contributions that were not tax deductible? . . . . .		X
6a			
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .		
6b			
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? . . . . .		X
7a			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .		
7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .		X
7c			
d	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .		
7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .		X
7e			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .		X
7f			
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	X	
7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .	X	
7h			
8	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .		
8			
9	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966? . . . . .		
9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .		
9b			
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 . . . . .	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders . . . . .	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . .	12b	

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include questions about voting members, family relationships, management control, organizational changes, and document retention.

Section B. Policies

Table with 3 columns: Question, Yes, No. Rows include questions about conflict of interest policies, whistleblower policies, document retention, and compensation processes.

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include questions about state disclosure requirements, public inspection of forms, and availability of governing documents.

410-332-9313

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List 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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS MULLEN PRESIDENT AND CEO	40.	X		X			1,056,400.	NONE	27,998.	
AMY FREEMAN EXE VP/SECRETARY	40.	X		X			443,048.	NONE	50,156.	
SAMUEL MOSKOWITZ EXEC VP/VICE CHAIR	40.	X		X			628,015.	NONE	29,358.	
SCOTT SPIER MD SR VP/DIRECTOR	40.	X					987,294.	NONE	34,189.	
JOHN TOPPER SR VP & CFO/TREASURER	40.	X		X			424,882.	NONE	88,275.	
SUSAN MACMILLAN SR VP/DIRECTOR	40.	X					423,608.	NONE	66,429.	
AINE OCONNOR DIRECTOR	40.	X					NONE	NONE	5,788.	
NICHOLAS KOAS KEY EMPLOYEE	40.				X		233,606.	NONE	31,801.	
JUDITH WELLAND SENIOR VP	40.					X	437,746.	NONE	62,833.	
ROBERT EDWARDS SENIOR VP	40.					X	309,375.	NONE	38,317.	
JAMES LEVY PHYSICIAN	40.					X	268,075.	NONE	34,415.	
MICHAEL SAMBAT MD PHYSICIAN	40.					X	293,650.	NONE	23,463.	
WILMA ROWE MD PHYSICIAN	40.					X	360,424.	NONE	9,720.	





**Part VIII Statement of Revenue**

52-0591658

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . . . .	1a						
	b	Membership dues . . . . .	1b						
	c	Fundraising events . . . . .	1c						
	d	Related organizations . . . . .	1d	2,846,853.					
	e	Government grants (contributions) . . . . .	1e	320,714.					
	f	All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	2,718,507.					
	g	Noncash contributions included in lines 1a-1f: \$ . . . . .		1,401,622.					
	h	<b>Total. Add lines 1a-1f . . . . .</b>		<b>5,886,074.</b>					
Program Service Revenue	2a	PATIENT REVENUE	Business Code	360,452,760.	360,452,760.				
	b	PEDIATRIC REVENUE		669,029.	669,029.				
	c								
	d								
	e								
	f	All other program service revenue . . . . .							
	g	<b>Total. Add lines 2a-2f . . . . .</b>		<b>361,121,789.</b>					
	Other Revenue	3	Investment Income (Including dividends, interest, and other similar amounts) . . . . .	STMT 4 . . . . .	1,607,326.			1,607,326.	
4		Income from investment of tax-exempt bond proceeds . . . . .		NONE					
5		Royalties . . . . .		NONE					
6a		Gross Rents . . . . .	(i) Real	(ii) Personal					
			1,621,943.						
			b	Less: rental expenses . . . . .	1,458,046.				
			c	Rental income or (loss) . . . . .	163,897.				
d		Net rental income or (loss) . . . . .			163,897.	-36,068.	199,965.		
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			-6,001,810.	6,500.					
			b	Less: cost or other basis and sales expenses . . . . .		86,263.			
			c	Gain or (loss) . . . . .	-6,001,810.	-79,763.			
d		Net gain or (loss) . . . . .			-6,081,573.		-6,081,573.		
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18. . . . .	a						
b		Less: direct expenses . . . . .	b						
c	Net income or (loss) from fundraising events . . . . .			NONE					
9a	Gross income from gaming activities. See Part IV, line 19. . . . .	a							
b	Less: direct expenses . . . . .	b							
c	Net income or (loss) from gaming activities . . . . .			NONE					
10a	Gross sales of inventory, less returns and allowances . . . . .	a							
b	Less: cost of goods sold . . . . .	b							
c	Net income or (loss) from sales of inventory . . . . .			NONE					
Miscellaneous Revenue			Business Code						
11a	MANAGEMENT FEE	561000		6,708,895.	6,549,934.	158,961.			
b	TELEVISION SERVICE			91,490.			91,490.		
c	CAFETERIA REVENUE			1,679,648.			1,679,648.		
d	All other revenue . . . . .	812930		2,967,927.	1,545,768.	453,068.	969,091.		
e	<b>Total. Add lines 11a-11d . . . . .</b>			<b>11,447,960.</b>					
12	<b>Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .</b>			<b>374,145,473.</b>	<b>369,217,491.</b>	<b>575,961.</b>	<b>-1,534,053.</b>		

**Part IX Statement of Functional Expenses**

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

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	275,833.	275,833.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . . . .	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 . . . . .	NONE			
4 Benefits paid to or for members . . . . .	NONE			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	3,878,872.		3,878,872.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages . . . . .	133,536,352.	99,632,899.	33,903,453.	NONE
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	3,797,618.	2,912,773.	884,845.	NONE
9 Other employee benefits . . . . .	11,664,844.	8,946,935.	2,717,909.	NONE
10 Payroll taxes . . . . .	9,694,520.	7,435,697.	2,258,823.	NONE
11 Fees for services (non-employees):				
a Management . . . . .	1,516,868.	NONE	1,516,868.	NONE
b Legal . . . . .	1,126,409.	19,917.	1,106,492.	NONE
c Accounting . . . . .	545,891.	212,219.	333,672.	NONE
d Lobbying . . . . .	NONE	NONE	NONE	NONE
e Professional fundraising services. See Part IV, line 17	NONE			NONE
f Investment management fees . . . . .	140,369.	140,369.	NONE	NONE
g Other . . . . .	23,938,035.	16,839,739.	7,098,296.	NONE
12 Advertising and promotion . . . . .	2,120,668.	2,113,290.	7,378.	NONE
13 Office expenses . . . . .	75,108,849.	70,826,934.	4,281,915.	NONE
14 Information technology . . . . .	924,645.	924,645.	NONE	NONE
15 Royalties . . . . .	NONE	NONE	NONE	NONE
16 Occupancy . . . . .	8,185,246.	7,697,488.	487,758.	NONE
17 Travel . . . . .	476,845.	350,161.	126,684.	NONE
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE	NONE	NONE	NONE
19 Conferences, conventions, and meetings . . . .	486,077.	132,808.	353,269.	NONE
20 Interest . . . . .	6,941,540.	NONE	6,941,540.	
21 Payments to affiliates . . . . .	NONE			
22 Depreciation, depletion, and amortization . . . .	19,610,356.		19,610,356.	NONE
23 Insurance . . . . .	6,172,042.	175,117.	5,996,925.	NONE
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a REPAIRS AND MAINT -----	7,214,343.	7,127,687.	86,656.	NONE
b PERSONAL PROPERTY TAXES -----	6,708.		6,708.	NONE
c OTHER -----	5,841,014.	4,116,650.	1,724,364.	NONE
d DONATIONS -----	82,592.	69,683.	12,909.	NONE
e BAD DEBT -----	20,659,433.	20,659,433.	NONE	NONE
f All other expenses -----				NONE
25 Total functional expenses. Add lines 1 through 24f	343,945,969.	250,610,277.	93,335,692.	NONE
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation . . . . .				

**Part X Balance Sheet**

		(A)		(B)	
		Beginning of year		End of year	
Assets	1	Cash - non-interest-bearing . . . . .	46,599,897.	1	59,805,697.
	2	Savings and temporary cash investments . . . . .	11,000,000.	2	NONE
	3	Pledges and grants receivable, net . . . . .		3	
	4	Accounts receivable, net . . . . .	24,843,583.	4	23,247,708.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .	200,000.	5	150,000.
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		6	
	7	Notes and loans receivable, net . . . . . STMT. 8 . . . . .	263,336.	7	222,901.
	8	Inventories for sales or use . . . . .	4,756,664.	8	5,046,103.
	9	Prepaid expenses and deferred charges . . . . . STMT. 10 . . . . .	3,243,098.	9	3,026,104.
	10a	Land, buildings, and equipment: cost basis . . . . . 10a 524,654,671.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D . . . . . 10b 198,161,946.	249,063,417.	10c	326,492,725.
	11	Investments - publicly traded securities . . . . . STMT. 11 . . . . .	340,070,618.	11	286,199,676.
	12	Investments - other securities. See Part IV, line 11 . . . . .		12	
	13	Investments - program-related. See Part IV, line 11 . . . . .		13	
	14	Intangible assets . . . . .		14	
	15	Other assets. See Part IV, line 11 . . . . .	67,345,397.	15	60,578,128.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	747,386,010.	16	764,769,042.	
Liabilities	17	Accounts payable and accrued expenses . . . . .	44,418,052.	17	46,440,491.
	18	Grants payable . . . . .		18	
	19	Deferred revenue . . . . .		19	
	20	Tax-exempt bond liabilities . . . . .	448,837,116.	20	444,488,377.
	21	Escrow account liability. Complete Part IV of Schedule D . . . . .		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .		22	
	23	Secured mortgages and notes payable to unrelated third parties STMT. 12 . . . . .	804,775.	23	362,672.
	24	Unsecured notes and loans payable . . . . .		24	
25	Other liabilities. Complete Part X of Schedule D . . . . .	36,632,160.	25	56,273,470.	
26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .	530,692,103.	26	547,565,010.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets . . . . .	182,209,738.	27	179,182,648.
	28	Temporarily restricted net assets . . . . .	28,600,686.	28	36,856,312.
	29	Permanently restricted net assets . . . . .	5,883,483.	29	1,165,072.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds . . . . .		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
33	<b>Total net assets or fund balances</b> . . . . .	216,693,907.	33	217,204,032.	
34	<b>Total liabilities and net assets/fund balances.</b> . . . . .	747,386,010.	34	764,769,042.	

**Part XI Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		X
b	Were the organization's financial statements audited by an independent accountant? . . . . .		X
c	If "Yes" to lines 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? . . . . .		
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? . . . . .		X
b	If "Yes," did the organization undergo the required audit or audits? . . . . .		



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.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 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

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 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 IV.); 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (See instructions.); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Description, Percentage. Rows include: 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) 14%; 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f 15%; 16a 33 1/3% support test - 2008. 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; 16b 33 1/3% support test - 2007. 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 - 2008. 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 "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization; 17b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 1-5 . . . . .						
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 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6. . . . .						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c Add lines 10a and 10b . . . . .						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
13 Total support. (Add lines 9, 10c, 11, and 12.) . . . . .						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 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 2008 (line 8, column (f) divided by line 13, column (f)). . . . .	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	16	%

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

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h . . . . .	18	%

- 19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ►
- b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ►
- 20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . . ►



Schedule of Contributors

2008

▶ Attach to Form 990, 990-EZ, and 990-PF.

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3 % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution.** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Privacy Act and Paperwork Reduction Act Notice, see the instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)



Name of organization **MERCY MEDICAL CENTER**

Employer identification number

**52-0591658****Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MERCY HEALTH FOUNDATION 301 ST. PAUL PLACE BALTIMORE, MD 21202	\$ 2,846,853.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	HEALTHCARE FOR THE HOMELESS 111 PARK AVENUE BALTIMORE, MD 21201	\$ 1,037,993.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	US DEPT OF HOUSING AND URBAN DEVELOPMNT 451 7TH STREET WASHINGTON, DC 20410	\$ 320,714.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	MERCY CHILDRENS HEALTH OUTREACH PROJECT 111 PARK AVE BALTIMORE, MD 21201	\$ 264,956.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	CHARLES EDWARDS II 1826 CIRCLE ROAD RUXTON, MD 21204	\$ 1,401,622.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	CASH UNDER 5000 301 ST PAUL PLACE BALTIMORE, MD 21202	\$ 13,936.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization **MERCY MEDICAL CENTER**

Employer identification number

52-0591658

**Part II** Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
5	INTELLECTUAL PROPERTY _____ _____ _____	\$ 1,401,622.	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include Total number at end of year, Aggregate contributions, Aggregate grants, Aggregate value, and questions about donor advisement and private benefit.

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

Form for Part II Conservation Easements. Includes questions about purpose of easements, number of easements, acreage, and monitoring policies.

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

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting requirements for art and historical treasures.

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

Schedule D (Form 990) 2008

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

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

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . .  Yes  No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . .  Yes  No

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

	Amount
c Beginning balance . . . . .	<b>1c</b>
d Additions during the year . . . . .	<b>1d</b>
e Distributions during the year . . . . .	<b>1e</b>
f Ending balance . . . . .	<b>1f</b>

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

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

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

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

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

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

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

- (i) unrelated organizations . . . . .
- (ii) related organizations . . . . .

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

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

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

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

Description of investment	(a) Cost or other basis (Investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land . . . . .		6,640,882.		6,640,882.
b Buildings . . . . .		243,283,262.	90,218,402.	153,064,860.
c Leasehold improvements . . . . .				
d Equipment . . . . .		144,310,486.	107,943,544.	36,366,942.
e Other . . . . .		130,420,014.		130,420,014.
<b>Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)</b> . . . . . ▶				<b>326,492,698.</b>



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

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

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

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

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

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

**Part XIV Supplemental Information**

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

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**Part XIV** Supplemental Information *(continued)*

**SCHEDULE H**  
**(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ To be completed by organizations that answer "Yes" to Form 990,

Part IV, line 20.

▶ Attach to Form 990.

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

**Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)**

	Yes	No
1 a Does the organization have a charity care policy? If "No," skip to question 6a . . . . .	1 a	
b If "Yes," is it a written policy? . . . . .	1 b	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: . . . . . <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3 a	
b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3 b	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4 Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	4	
5 a Does the organization budget amounts for free or discounted care provided under its charity care policy? . . . . .	5 a	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5 b	
c If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5 c	
6 a Does the organization prepare an annual community benefit report? . . . . .	6 a	
b If "Yes," does the organization make it available to the public? . . . . .	6 b	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

**7 Charity Care and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Charity Care and Means-Tested Government Programs</b>						
a Charity care at cost (from Worksheets 1 and 2) . . . . .						
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . . .						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b) . . . . .						
d Total Charity Care and Means-Tested Government Programs . . . . .						
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .						
f Health professions education (from Worksheet 5) . . . . .						
g Subsidized health services (from Worksheet 6) . . . . .						
h Research (from Worksheet 7) . . . . .						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .						
j Total Other Benefits . . . . .						
k Total (line 7d and 7j) . . . . .						

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

Schedule H (Form 990) 2008



**Part II Community Building Activities** Complete this table if the organization conducted any community building activities. (Optional for 2008)

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

**Part III Bad Debt, Medicare, & Collection Practices** (Optional for 2008)

**Section A. Bad Debt Expense**

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

**Section B. Medicare**

- 5 Enter total revenue received from Medicare (including DSH and IME) . . . . . 5
- 6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . . 6
- 7 Enter line 5 less line 6 - surplus or (shortfall) . . . . . 7
- 8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used:  
 Cost accounting system     Cost to charge ratio     Other

**Section C. Collection Practices**

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

	Yes	No
1		
2		
3		
5		
6		
7		
9a		
9b		

**Part IV Management Companies and Joint Ventures** (Optional for 2008)

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









**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

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

**2008**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

**Open to Public Inspection**

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

**Part I Questions Regarding Compensation**

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

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

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

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

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

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

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment? . . . . .
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .
- c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**

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

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" to line 5a or 5b, describe in Part III.

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

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" to line 6a or 6b, describe in Part III.

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

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

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>	X	
<b>8</b>		X

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

Schedule J (Form 990) 2008

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
THOMAS MULLEN	(i) 669,362. (ii) NONE (iii) NONE	237,600. NONE NONE	149,438. NONE NONE	NONE NONE NONE	27,998. NONE NONE	1,084,398. NONE NONE	
AMY FREEMAN	(i) 330,635. (ii) NONE (iii) NONE	95,700. NONE NONE	16,713. NONE NONE	33,000. NONE NONE	17,156. NONE NONE	493,204. NONE NONE	
SAMUEL MOSKOWITZ	(i) 435,140. (ii) NONE (iii) NONE	127,600. NONE NONE	65,275. NONE NONE	NONE NONE NONE	29,358. NONE NONE	657,373. NONE NONE	
SCOTT SPIER MD	(i) 355,017. (ii) NONE (iii) NONE	36,325. NONE NONE	595,952. NONE NONE	NONE NONE NONE	34,189. NONE NONE	1,021,483. NONE NONE	493,600.
JOHN TOPPER	(i) 338,383. (ii) NONE (iii) NONE	69,422. NONE NONE	17,077. NONE NONE	62,008. NONE NONE	25,267. NONE NONE	513,157. NONE NONE	
SUSAN MACMILLAN	(i) 298,194. (ii) NONE (iii) NONE	60,475. NONE NONE	64,939. NONE NONE	29,500. NONE NONE	36,929. NONE NONE	490,037. NONE NONE	
JUDITH WEILAND	(i) 255,965. (ii) NONE (iii) NONE	27,300. NONE NONE	144,481. NONE NONE	52,000. NONE NONE	10,833. NONE NONE	500,579. NONE NONE	134,731.
ROBERT EDWARDS	(i) 236,025. (ii) NONE (iii) NONE	49,200. NONE NONE	24,150. NONE NONE	12,000. NONE NONE	26,317. NONE NONE	347,692. NONE NONE	
JAMES LEVY	(i) 237,152. (ii) NONE (iii) NONE	24,000. NONE NONE	6,923. NONE NONE	NONE NONE NONE	34,415. NONE NONE	302,490. NONE NONE	
NICHOLAS KOAS	(i) 185,918. (ii) NONE (iii) NONE	47,688. NONE NONE	NONE NONE NONE	22,842. NONE NONE	8,959. NONE NONE	265,407. NONE NONE	
MICHAEL SAMBAT MD	(i) 188,336. (ii) NONE (iii) NONE	105,314. NONE NONE	NONE NONE NONE	5,739. NONE NONE	17,724. NONE NONE	317,113. NONE NONE	
WILLMA ROWE MD	(i) 307,918. (ii) NONE (iii) NONE	52,506. NONE NONE	NONE NONE NONE	6,900. NONE NONE	2,820. NONE NONE	370,144. NONE NONE	
	(i) ----- (ii) ----- (iii) -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	
	(i) ----- (ii) ----- (iii) -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	
	(i) ----- (ii) ----- (iii) -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	
	(i) ----- (ii) ----- (iii) -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	----- ----- -----	

**Part III Supplemental Information**

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

NONQUALIFIED RETIREMENT PLAN

SCH J LINE 4B

THE ORGANIZATION MAINTAINED A NONQUALIFIED PLAN OF DEFERRED COMPENSATION

FOR CERTAIN EXECUTIVES. DUE TO CHANGES IN TAX LAWS, THE PLAN WAS

TERMINATED DURING THE YEAR AND CERTAIN PARTICIPATING EXECUTIVES WERE PAID

AND TAXED ON THE ENTIRETY OF THEIR ACCOUNTS. SCHEDULE J REPORTS THE

AMOUNTS DISTRIBUTED, WHICH AMOUNTS WERE REFLECTED AS CONTRIBUTIONS IN

PRIOR PERIODS.

THE FOLLOWING INDIVIDUALS RECEIVED DISTRIBUTIONS FROM THE NONQUALIFIED

DEFERRED COMPENSATION PLAN IN THE FOLLOWING AMOUNTS:

SCOTT SPIER \$493,600

JUDITH WEILAND 134,731





SCHEDULE K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCY MEDICAL CENTER

**Part I Bond Issues (Required for 2008)**

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Supplemental Information on Tax-Exempt Bonds

OMB No. 1545-0047

2008

Open to Public  
Inspection

Employer identification number  
52-0591658

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price		(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
				Yes	No		Yes	No	Yes	No
A MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217X88	08/03/2006		35,000,000.	2006 REPLACEMENT GARAGE AND ROUTIN		X		X
B MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217L29	11/08/2007		155,000,000.	2007 A REPLACEMENT TOWER AND REFUN		X		X
C MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217L37	11/08/2007		150,000,000.	2007 B C D REPLACEMENT PATIENT CAR		X		X
D MARYLAND HEALTH & HIGHER EDUCATIONAL FAC AUTHORITY	52-0936091	574217Y41	07/16/2008		35,325,000.	2008 REFUNDING OF 2003 BONDS		X		X

**Part II Proceeds (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?		X	X			X	X			
11 Has the final allocation of proceeds been made?		X		X		X	X			
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X			X		X	X			

**Part III Private Business Use (Optional for 2008)**

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

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

Schedule K (Form 990) 2008

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X		X			
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X		X			
<b>4</b> 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.		%		%		%		%		%
<b>5</b> 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.		%		%		%		%		%
<b>6</b> Total of lines 4 and 5.		%		%		%		%		%
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X			

**Part IV Arbitrage (Optional for 2008)**

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

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

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ Attach to Form 990 or Form 990-EZ.  
▶ To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, lines 38b or 40b.

OMB No. 1545-0047

**2008**

**Open To Public  
Inspection**

Name of the organization <b>MERCY MEDICAL CENTER</b>	Employer identification number <b>52-0591658</b>
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**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a or 25b, or Form 990-EZ, Part V, line 40b.

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

- 2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**  
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
	SUSAN MACHILLAN RELOCATION				X	250,000.	150,000.		X	X
<b>Total</b> . . . . .				▶ \$	150,000.					

**Part III Grants or Assistance Benefitting Interested Persons.**  
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

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

**Part IV Business Transactions Involving Interested Persons.**  
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 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

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule L (Form 990 or 990-EZ) 2008

**SCHEDULE M  
(Form 990)**

**Non-Cash Contributions**

OMB No. 1545-0047

**2008**

**Open To Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

▶ **To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art-Works of art . . . . .				
2 Art-Historical treasures . . . . .				
3 Art-Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .	X	1	1,401,622.	COST SAVINGS
9 Securities-Publicly traded . . . . .				
10 Securities-Closely held stock . . . . .				
11 Securities-Partnership, LLC, or trust interests . . . . .				
12 Securities-Miscellaneous . . . . .				
13 Qualified conservation contribution (historic structures) . . . . .				
14 Qualified conservation contribution (other) . . . . .				
15 Real estate-Residential . . . . .				
16 Real estate-Commercial . . . . .				
17 Real estate-Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ ( _____ )				
26 Other ▶ ( _____ )				
27 Other ▶ ( _____ )				
28 Other ▶ ( _____ )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . . **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		



SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

DESCRIPTION OF 990 REVIEW PROCESS

PART VI, LINE 10

IN MAY, 2009 MERCY HEALTH SERVICES, INC. ("MHS"), THE PARENT COMPANY OF THE ORGANIZATION, ADOPTED THE FOLLOWING POLICY FOR REVIEW OF THE ORGANIZATION'S FORM 990:

THE BOARD OF TRUSTEES ("BOARD") OR THE EXECUTIVE COMMITTEE OF MHS WILL BE PROVIDED AN OPPORTUNITY TO REVIEW THE COMPLETED FORM 990 AND TO ASK ANY QUESTIONS PRIOR TO ITS FILING AS FOLLOWS. THE FORM 990 CORE (PARTS I - XI) AND SCHEDULES H AND J (AS APPLICABLE) WILL BE SENT TO THE BOARD OR THE EXECUTIVE COMMITTEE AT LEAST ONE WEEK PRIOR TO THE MEETING AT WHICH THE FORM 990 WILL BE REVIEWED (THE "MEETING"). MEMBERS OF THE BOARD OR EXECUTIVE COMMITTEE WILL BE ASKED TO REVIEW THE DOCUMENTS AND TO RAISE ANY QUESTIONS OR CONCERNS THEY HAVE PRIOR TO OR AT THE MEETING. THE COMPLETE FORM 990, INCLUDING ALL SCHEDULES AND ATTACHMENTS, WILL BE AVAILABLE AT THE MEETING, WHERE MANAGEMENT WILL REVIEW THE ENTIRE FORM 990 WITH THE BOARD OR EXECUTIVE COMMITTEE MEMBERS, GIVING PARTICULAR ATTENTION TO THE COMPENSATION DISCLOSURES IN SCHEDULE J. THE FORM 990 WILL BE SUBMITTED TO THE IRS ONLY AFTER ANY QUESTIONS OR CONCERNS RAISED BY THE BOARD OR EXECUTIVE COMMITTEE MEMBERS HAVE BEEN ADDRESSED.

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

CONFLICTS OF INTEREST MONITORING AND ENFORCEMENTPART VI, LINE 12CMERCY HAS A CONFLICT OF INTEREST POLICY THAT COVERS MERCY HEALTHSERVICES, INC. AND ALL OF ITS DIRECT AND INDIRECT SUBSIDIARIES. THEINDIVIDUALS COVERED UNDER THE POLICY INCLUDE ALL TRUSTEES, DIRECTORS,OFFICERS (INCLUDING ALL SENIOR AND EXECUTIVE VICE PRESIDENTS) AND MEMBERSOF ANY COMMITTEE WITH BOARD-DELEGATED POWERS. UNDER THE POLICY, EACH SUCHPERSON IS REQUIRED TO COMPLETE AN ANNUAL DISCLOSURE FORM REGARDING ALLBUSINESS RELATIONSHIPS THAT HE OR SHE, OR ANY FAMILY MEMBER, HAS WITH ANYOTHER ORGANIZATIONS THAT DO BUSINESS WITH MERCY AND ALL RELATIONSHIPSBETWEEN AND AMONG OFFICERS, TRUSTEES AND DIRECTORS. THE COMPLETEDDISCLOSURE FORMS ARE REVIEWED BY THE BOARD CHAIR AND BY MERCY'S CEO OR ADESIGNEE.IN ADDITION TO THE ANNUAL DISCLOSURE, ANY PERSON WHO IS COVERED BY THECONFLICT OF INTEREST POLICY HAS AN ONGOING OBLIGATION TO DISCLOSE THEEXISTENCE OF ANY ACTUAL OR POTENTIAL CONFLICT TO THE BOARD OR THE BOARDCOMMITTEE IN WHICH THE MATTER ARISES. FOLLOWING THE DISCLOSURE, THEPERSON MAY MAKE A PRESENTATION, BUT MUST THEN LEAVE THE MEETING AND THEOTHER MEMBERS OF THE BOARD OR COMMITTEE SHALL DETERMINE WHETHER ACONFLICT EXISTS. UNDER THE POLICY, A CONFLICT OF INTEREST EXISTS WHEN ANINDIVIDUAL'S OWN PERSONAL INTEREST WOULD, OR MAY, INTERFERE WITH HIS ORHER IMPARTIALITY REGARDING THE MATTER. IF A CONFLICT EXISTS, THE PERSONMUST ABSTAIN FROM VOTING AND MAY NOT BE PRESENT DURING DELIBERATIONS ONTHE MATTER. THE BOARD OR COMMITTEE, AFTER CONDUCTING SUCH ADDITIONAL DUEDILIGENCE AS IT DETERMINES IS APPROPRIATE, SHALL MAKE A DECISION ON THEMATTER BASED UPON WHETHER THE PARTICULAR PROPOSAL IS FAIR, REASONABLE AND





Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

PROCESS OF DETERMINING COMPENSATION

PART VI, LINE 15

THE ORGANIZATION'S BOARD HAS ADOPTED A COMPENSATION POLICY (THE "POLICY") FOR COVERED INDIVIDUALS. PURSUANT TO THE POLICY, A COMPENSATION COMMITTEE OF INDEPENDENT DIRECTORS OF THE BOARD OF THE ORGANIZATION'S PARENT CORPORATION WAS ESTABLISHED TO REVIEW THE COMPENSATION OF ALL EMPLOYEES SPECIFIED AS HAVING A SUBSTANTIAL INFLUENCE OVER THE ORGANIZATION AND WHO RECEIVE REMUNERATION FROM THE ORGANIZATION, INCLUDING, AMONG OTHERS, THE ORGANIZATION'S PRESIDENT AND CHIEF EXECUTIVE OFFICER AND THE ORGANIZATION'S CHIEF FINANCIAL OFFICER. THE COMPENSATION COMMITTEE IS ADVISED BY AN INDEPENDENT COMPENSATION CONSULTANT, WHICH OPINES TO THE COMPENSATION COMMITTEE THAT THE LEVEL OF COMPENSATION PAID AND THE PROCESS BY WHICH COMPENSATION IS ESTABLISHED MEET APPLICABLE IRS REASONABLENESS AND "SAFE HARBOR" STANDARDS. THE OUTSIDE COMPENSATION CONSULTANT PROVIDES DATA OF COMPENSATION PROVIDED AT SIMILAR ORGANIZATIONS TO ENSURE THAT THE ORGANIZATION DOES NOT COMPENSATE IN EXCESS OF MARKET NORMS.

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

DOCUMENT AVAILABILITY

PART VI, LINE 19

THE GOVERNING DOCUMENTS OF THE ORGANIZATION, ITS CONFLICTS OF INTEREST

POLICY, AND ITS FINANCIAL STATEMENTS ARE AVAILABLE FROM THE ORGANIZATION

UPON REQUEST.

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

BLANK LINES

THE ORGANIZATION DID NOT COMPLETE PART V, LINES 8&9 BECAUSE IT DID NOT

SPONSOR ANY DONOR ADVISED FUNDS.

Name of the organization

Employer identification number

MERCY MEDICAL CENTER

52-0591658

AUDITS

PART XI QUESTIONS 2 AND 3

MERCY HEALTH SYSTEM, INC. AND ITS SUBSIDIARIES, INCLUDING THE

ORGANIZATION FILING THIS FORM 990, UNDERGO A CONSOLIDATED AUDIT OF THEIR

FINANCIAL STATEMENTS THAT COMPLIES WITH SINGLE AUDIT ACT/CIRCULAR A-133

REQUIREMENTS DUE TO THE EXPENDITURE OF FEDERAL AWARDS. THE ACCOUNTING

FIRM OF COHEN, RUTHERFORD, & KNIGHT, P.A. HIS ISSUED AN UNQUALIFIED

OPINION REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS IN CONFORMANCE

WITH GAAS AND THE SINGLE AUDIT ACT/OMB CIRCULAR A-133 REQUIREMENTS FOR

THE FISCAL YEAR THAT CORRESPONDS TO THE TAX REPORTING YEAR GOVERNED BY

THIS RETURN.

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

INDEPENDENT DIRECTORS

PART VI, LINE 1B

MOST OF THE DIRECTORS OF THE ORGANIZATION ARE EXECUTIVE EMPLOYEES OF THE

ORGANIZATION'S AFFILIATE AND ARE APPOINTED TO THE ORGANIZATION'S BOARD BY

THE ORGANIZATION'S CORPORATE PARENT.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCY MEDICAL CENTER

Employer identification number

52-0591658

**Related Organizations and Unrelated Partnerships**

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ See separate instructions.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

**Part I Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
NORTH CALVERT STREET PROPERTIES LLC 301 ST PAUL PLACE BALTIMORE, MD 21202	REAL ESTATE	MD	NONE	NONE	MERY MEDICAL
HOLIDAY STREET PROPERTIES LLC 301 ST PAUL PLACE BALTIMORE, MD 21202	REAL ESTATE	MD	NONE	NONE	MERCY MEDICA
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-----					
-----					
-----					
-----					
-----					

**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
MERCY HEALTH SERVICES INC 301 ST PAUL PLACE BALTIMORE, MD 21202	SUPPORT	MD	501(C)(3)	509(A)(3)	N/A
MERCY RIDGE INC 2525 POT SPRING TIMONIUM, MD 21093	RETIRE FACILT	MD	501(C)(3)	509(A)(2)	MERCY HEALTH
MERCY HEALTH FOUNDATION INC 301 ST PAUL PLACE BALTIMORE, MD 21202	FOUNDATION	MD	501(C)(3)	170(B)(1)VI	MERCY HEALTH
SAINTE PAUL PLACE SPECIALISTS INC 301 ST PAUL PLACE BALTIMORE, MD 21202	SPEC CARE	MD	501(C)(3)	170(B)1 III	MERCY HEALTH
MARYLAND FAMILY CARE INC 301 ST PAUL PLACE BALTIMORE, MD 21202	PRIMARY CARE	MD	501(C)(3)	170(B)1 III	MERCY HEALTH
STELLA MARIS INC 2300 DULANEY VALLEY TIMONIUM, MD 21093	NURSING FACILT	MD	501(C)(3)	509(A)(2)	MERCY HEALTH
MERCY TRANSITIONAL CARE SERVICES INC 301 ST PAUL PLACE BALTIMORE, MD 21202	SKILLED NURSE	MD	501(C)(3)	509(A)(2)	MERCY MEDICA

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

Schedule R (Form 990) 2008

**Part III Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No
MARYLAND SPECIALTY SERVICES LL 301 ST PAUL PLACE	SPECIALTY CARE	MD	MERCY HLTH SERV	NONE	NONE	NONE		X			X
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**Part IV Identification of Related Organizations Taxable as a Corporation or Trust**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
GREENLEAF INSURANCE CO LTD PO BOX 1363 KYI-1108 GRAND CAYMAN, CAYMAN ISLANDS 52-0591658	INSURANCE	CJ	MERCY MEDICAL LTD		-1,868,952.	33,102,777.	100.0000
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Part V Transactions With Related Organizations

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

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

Table with columns: Transaction description (1a-1r), Yes, No. Rows include Receipt of interest, Gift, grant, or capital contribution, Loans or loan guarantees, Sale of assets, Purchase of assets, Exchange of assets, Lease of facilities, equipment, or other assets, Lease of facilities, equipment, or other assets from other organization(s), Performance of services or membership or fundraising solicitations for other organization(s), Performance of services or membership or fundraising solicitations by other organization(s), Sharing of facilities, equipment, mailing lists, or other assets, Sharing of paid employees, Reimbursement paid to other organization for expenses, Reimbursement paid by other organization for expenses, Other transfer of cash or property to other organization(s), Other transfer of cash or property from other organization(s).

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.

Table with columns: (A) Name of other organization(s), (B) Transaction type (a-f), (C) Amount involved. Rows (1) through (6) are currently blank.



FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION  
=====

ROOTED IN GOD'S HEALING LOVE FOR ALL PEOPLE, AND SPONSORED BY THE SISTERS OF MERCY, MERCY PROVIDES HEALTHCARE FOR PERSONS OF EVERY CREED, COLOR, AND ECONOMIC AND SOCIAL CONDITION IN BALTIMORE CITY, CENTRAL MARYLAND AND BEYOND. IN THE TRADITION OF CATHOLIC HEALTHCARE AND OF THE SISTERS OF MERCY, WE CONTINUE OUR SPECIAL COMMITMENT TO POOR AND UNDERSERVED PERSONS.

## FORM 990, PART III - PROGRAM SERVICES

## 4A PROGRAM SERVICE

-----  
TO PROVIDE HEALTHCARE TO PATIENTS WITHOUT REGARD TO ABILITY TO PAY.

MERCY STRIVES TO PROVIDE EXCELLENT CLINICAL SERVICES ACROSS THE LIFE SPAN WITHIN A COMMUNITY OF COMPASSIONATE CARE. MERCY MEDICAL CENTER HAS 243 LICENSED BEDS AND HAD 18,214 INPATIENT ADMISSIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2009, THE ZIP CODE 21202 IN WHICH MERCY MEDICAL CENTER IS LOCATED HAS A MEDIAN FAMILY INCOME OF \$22,191, WITH 35% OF FAMILIES LIVING BELOW THE POVERTY LEVEL, AND WITH 22% SPEAKING A LANGUAGE OTHER THAN ENGLISH AT HOME. APPROXIMATELY 59% OF THE PATIENTS SERVED BY MERCY ARE MEMBERS OF A RACIAL OR ETHNIC MINORITY; 66% ARE WOMEN; AND 51% ARE INSURED BY MEDICAID OR MEDICARE. MERCY PROVIDED OVER \$40 MILLION OF UNCOMPENSATED CARE DURING THE FISCAL YEAR ENDING JUNE 30, 2009, AND DEVOTED APPROXIMATELY 12.8% OF ITS OPERATING BUDGET TO BENEFIT THE POOR AND UNDERSERVED. MERCY HAD 2,845 DELIVERIES IN FY 2009 AND 60% OF THE MOTHERS WHO GAVE BIRTH AT MERCY WERE COVERED BY MEDICAID. ON FEBRUARY 1, 2009, A MERCY AFFILIATE ADDED TO OUR MEDICAL STAFF, A PHYSICIAN GROUP SERVING LOW-INCOME EXPECTANT MOTHERS. THIS GROUP EXPECTS TO INCREASE ANNUAL BIRTHS AT MERCY BY OVER 300. MERCY LED AN INITIATIVE TO FORM HEALTH CARE FOR THE HOMELESS, INC., A DIRECT SERVICE AND ADVOCACY ORGANIZATION ESTABLISHED IN 1984, THAT NOW SERVES 6,000 HOMELESS INDIVIDUALS EACH YEAR. MERCY'S AFFILIATE, SAINT PAUL PLACE SPECIALISTS, INC., PROVIDES SPECIALTY PHYSICIAN SERVICES TO PATIENTS OF HEALTHCARE FOR THE HOMELESS. THROUGH ITS PHARMACY CHARITY CARE PROGRAM, MERCY PROVIDES \$300,000 ANNUALLY TO PATIENTS WHO ARE UNINSURED OR UNDERINSURED, SUCH AS HOMELESS INDIVIDUALS AWAITING MEDICAL ASSISTANCE. MERCY PROVIDES OVER \$200,000 IN TRANSPORTATION ASSISTANCE TO PATIENTS FOR TAXIS AND BUSES.

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
WHITING TURNER PO BOX 17596 BALTIMORE, MD 21297	CONSTRUCTION	32,286,255.
ELLERBE BECKET 1001 G ST NW WASHINGTON, DC 20001	ARCHITECT	4,170,714.
JEFFREY BROWN CONTRACTING LLC 400 E JOPPA RD TOWSON, MD 21286	CONSTRUCTION	3,935,076.
CURA HOSPITALITY PO BOX 827276 PHILADELPHIA, PA 19182	FOOD SERVICES	3,805,088.
RADAMERICA II LLC 9105 FRANKLIN SQUARE DR BALTIMORE, MD 21237	RADIATION THERAPY	2,619,788.
TOTAL COMPENSATION		----- 46,816,921. =====

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST INCOME	846,048.			846,048.
INVESTMENT INCOME	301,903.			301,903.
INT DIV INCOME	459,375.			459,375.
TOTALS	1,607,326.			1,607,326.



SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER DEDUCTIONS

RENT	681,205.
OTHER	29,064.
OFFICE EXPENSES	3,645.
	-----
	713,914.
	=====



RENT AND ROYALTY SUMMARY

=====

PROPERTY -----	TOTAL INCOME -----	DEPLETION/ DEPRECIATION -----	OTHER EXPENSES -----	ALLOWABLE NET INCOME -----
RENTAL PROPERTIES	1,621,943.	687,275.	770,771.	163,897.
TOTALS	1,621,943.	687,275.	770,771.	163,897.

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

=====

BORROWER: KAREN PERKINS, M.D.  
 ORIGINAL AMOUNT: 100,000.  
 INTEREST RATE: 5.750000  
 DATE OF NOTE: 09/01/2002  
 MATURITY DATE: 08/01/2007  
 REPAYMENT TERMS: MONTHLY  
 SECURITY PROVIDED: NONE  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE ..... 33,732.  
 ENDING BALANCE DUE ..... 14,892.  
 -----

BORROWER: DONNA MACK  
 ORIGINAL AMOUNT: 75,799.  
 INTEREST RATE: 5.000000  
 DATE OF NOTE: 10/01/2004  
 MATURITY DATE: 06/01/2008  
 REPAYMENT TERMS: MONTHLY  
 SECURITY PROVIDED: INVENTORY, ACCOUNTS & PROCEEDS OF ALL COLLATERAL  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE ..... 404.  
 ENDING BALANCE DUE ..... NONE  
 -----

BORROWER: KATHLEEN SLONE  
 ORIGINAL AMOUNT: 144,704.  
 DATE OF NOTE: 01/01/2007

BEGINNING BALANCE DUE ..... 132,374.  
 ENDING BALANCE DUE ..... 15,399.  
 -----

BORROWER: JOEL MESHULAM MD  
 DATE OF NOTE: 02/01/2008  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE ..... 13,660.  
 ENDING BALANCE DUE ..... NONE  
 -----

BORROWER: ERICA NICHELSON DO  
 ORIGINAL AMOUNT: 43,166.  
 DATE OF NOTE: 12/01/2007  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE ..... 43,166.  
 ENDING BALANCE DUE ..... 34,399.  
 -----

BORROWER: MARK KIM MD  
 ORIGINAL AMOUNT: 40,000.  
 DATE OF NOTE: 08/01/2008  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE ..... 40,000.  
 ENDING BALANCE DUE ..... 32,782.  
 -----

BORROWER: METROPOLITAN OBGYN ASSOCIATES  
 ORIGINAL AMOUNT: 100,000.  
 DATE OF NOTE: 10/15/2008  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT

BEGINNING BALANCE DUE ..... NONE  
 ENDING BALANCE DUE ..... 80,409.  
 -----

BORROWER: TERESA HOFFMAN  
 ORIGINAL AMOUNT: 60,022.  
 DATE OF NOTE: 11/01/2008  
 PURPOSE OF LOAN: PRACTICE DEVELOPMENT LOAN

BEGINNING BALANCE DUE ..... NONE  
 ENDING BALANCE DUE ..... 45,020.  
 -----

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE ..... 263,336.  
 =====

TOTAL ENDING NOTES AND LOANS RECEIVABLE ..... 222,901.  
 =====

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
PREPAID EXPENSES	3,026,104.
TOTALS	----- 3,026,104. =====

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION -----	ENDING BOOK VALUE -----	COST OR FMV -----
FUNDS HELD BY TRUSTEE	194,970,508.	FMV
RESTRICTED INVESTMENTS	73,471,142.	FMV
RESTRICTED CASH	17,758,026.	FMV
	-----	
TOTALS	286,199,676.	
	=====	

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE  
=====

LENDER: CONSTRUCTION LOAN  
INTEREST RATE: 4.920000  
DATE OF NOTE: 06/01/1989  
MATURITY DATE: 06/01/2010  
REPAYMENT TERMS: MONTHLY  
SECURITY PROVIDED: FIRST LIEN MORTGAGE ON VARIOUS REAL PROPERTIES  
PURPOSE OF LOAN: CONSTRUCTION

BEGINNING BALANCE DUE ..... 804,775.  
ENDING BALANCE DUE ..... 362,672.  
-----

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE ..... 804,775.  
=====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE ..... 362,672.  
=====

**SCHEDULE D  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

OMB No. 1545-0092

**2008**

Name of estate or trust <b>MERCY MEDICAL CENTER</b>	Employer identification number <b>52-0591658</b>
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Note: Form 5227 filers need to complete only Parts I and II.

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
<b>1a</b>					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	<b>1b</b>	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	<b>2</b>	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>3</b>	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2007 Capital Loss Carryover Worksheet . . . . .	<b>4</b>	(            )
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back . . . . . ▶	<b>5</b>	

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
<b>6a</b>					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .	<b>6b</b>	-6,001,810.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	<b>7</b>	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>8</b>	
9 Capital gain distributions . . . . .	<b>9</b>	
10 Gain from Form 4797, Part I . . . . .	<b>10</b>	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2007 Capital Loss Carryover Worksheet . . . . .	<b>11</b>	(            )
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back . . . . . ▶	<b>12</b>	-6,001,810.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2008

<b>Part III Summary of Parts I and II</b> <b>Caution: Read the instructions before completing this part.</b>		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
<b>13</b>	<b>Net short-term gain or (loss)</b> . . . . .	<b>13</b>		
<b>14</b>	<b>Net long-term gain or (loss):</b>			
a	Total for year . . . . .	<b>14a</b>		-6,001,810.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.) . . . . .	<b>14b</b>		
c	28% rate gain . . . . .	<b>14c</b>		
<b>15</b>	<b>Total net gain or (loss).</b> Combine lines 13 and 14a . . . . . ▶	<b>15</b>		-6,001,810.

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

**Part IV Capital Loss Limitation**

<b>16</b>	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000	<b>16</b>	( 3,000.)
-----------	---	-----------	-----------

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

**Caution:** Skip this part and complete the worksheet on page 8 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

**Form 990-T trusts.** Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

<b>17</b>	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . . .	<b>17</b>		
<b>18</b>	Enter the smaller of line 14a or 15 in column (2) but not less than zero . . . . .	<b>18</b>		
<b>19</b>	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>19</b>		
<b>20</b>	Add lines 18 and 19 . . . . .	<b>20</b>		
<b>21</b>	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . . . ▶	<b>21</b>		
<b>22</b>	Subtract line 21 from line 20. If zero or less, enter -0- . . . . .	<b>22</b>		
<b>23</b>	Subtract line 22 from line 17. If zero or less, enter -0- . . . . .	<b>23</b>		
<b>24</b>	Enter the smaller of the amount on line 17 or \$2,200 . . . . .	<b>24</b>		
<b>25</b>	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23 . . . . .	<b>25</b>		
<b>26</b>	Subtract line 25 from line 24 . . . . .	<b>26</b>		
<b>27</b>	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30; go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22 . . . . .	<b>27</b>		
<b>28</b>	Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	<b>28</b>		
<b>29</b>	Subtract line 28 from line 27 . . . . .	<b>29</b>		
<b>30</b>	Multiply line 29 by 15% (.15) . . . . .	<b>30</b>		
<b>31</b>	Figure the tax on the amount on line 23. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions) . . . . .	<b>31</b>		
<b>32</b>	Add lines 30 and 31 . . . . .	<b>32</b>		
<b>33</b>	Figure the tax on the amount on line 17. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions) . . . . .	<b>33</b>		
<b>34</b>	<b>Tax on all taxable income.</b> Enter the smaller of line 32 or line 33 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T) . . . . .	<b>34</b>		





**Sales of Business Property**  
(Also Involuntary Conversions and Recapture Amounts  
Under Sections 179 and 280F(b)(2))

Department of the Treasury  
Internal Revenue Service (99)

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

Attachment  
Sequence No. 27

Name(s) shown on return

Identifying number

MERCY MEDICAL CENTER

52-0591658

1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . .

1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)**

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 45 . . . . .

3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .

4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .

5

6 Gain, if any, from line 32, from other than casualty or theft . . . . .

6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . .

7

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .

8

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see Instructions) . . . . .

9

**Part II Ordinary Gains and Losses (see instructions)**

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

SEE STATEMENT 1							-79,763.

11 Loss, if any, from line 7 . . . . .

11

12 Gain, if any, from line 7 or amount from line 8, if applicable . . . . .

12

13 Gain, if any, from line 31 . . . . .

13

14 Net gain or (loss) from Form 4684, lines 37 and 44a . . . . .

14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .

15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .

16

17 Combine lines 10 through 16 . . . . .

17

-79,763.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . .

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . .

18b

For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2008)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255 (see instructions)

Table with 3 columns: (a) Description of section 1245, 1250, 1252, 1254, or 1255 property; (b) Date acquired; (c) Date sold. Rows A, B, C, D.

Main table with 5 columns: Property A, Property B, Property C, Property D. Rows 20-29b for various property types (1245, 1250, 1252, 1254, 1255).

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

Summary table with 3 columns: Description, 30, 31, 32. Rows 30-32.

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions)

Table with 3 columns: (a) Section 179, (b) Section 280F(b)(2). Rows 33-35.





**Part III Tax Computation**

**35 Organizations Taxable as Corporations.** See instructions for tax computation on page 15.  
 Controlled group members (sections 1561 and 1563) check here  See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \_\_\_\_\_ (2) \_\_\_\_\_ (3) \_\_\_\_\_

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) . . . . . \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) . . . . . \_\_\_\_\_

c Income tax on the amount on line 34 . . . . . **35c**

**36 Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from:  Tax rate schedule or  Schedule D (Form 1041) . . . . . **36**

**37 Proxy tax.** See page 16 of the instructions . . . . . **37**

**38 Alternative minimum tax** . . . . . **38**

**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies. . . . . **39**

**Part IV Tax and Payments**

**40 a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) . . . . . **40a**

**b Other credits** (see page 17 of the instructions) . . . . . **40b**

**c General business credit.** Attached Form 3800 . . . . . **40c**

**d Credit for prior year minimum tax** (attach Form 8801 or 8827) . . . . . **40d**

**e Total credits.** Add lines 40a through 40d . . . . . **40e**

**41 Subtract line 40e from line 39.** . . . . . **41**

**42 Other taxes.** Check if from:  Form 4255  Form 8611  Form 8697  Form 8866  Other (attach schedule). . . . . **42**

**43 Total tax.** Add lines 41 and 42 . . . . . **43**

**44 a Payments: A 2007 overpayment credited to 2008** . . . . . **44a**

**b 2008 estimated tax payments** . . . . . **44b**

**c Tax deposited with Form 8868** . . . . . **44c**

**d Foreign organizations: Tax paid or withheld at source** (see instructions) . . . . . **44d**

**e Backup withholding** (see instructions) . . . . . **44e**

**f Other credits and payments:**  Form 2439 \_\_\_\_\_  Form 4136 \_\_\_\_\_  Other \_\_\_\_\_ Total **44f**

**45 Total payments.** Add lines 44a through 44f . . . . . **45**

**46 Estimated tax penalty** (see page 4 of the instructions). Check if Form 2220 is attached . . . . .  **46**

**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed . . . . . **47** NONE

**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid . . . . . **48** NONE

**49 Enter the amount of line 48 you want:** **Credited to 2009 estimated tax**  **Refunded**  **49** NONE

**Part V Statements Regarding Certain Activities and Other Information** (see instructions on page 18)

**1** At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here  \_\_\_\_\_ **Yes** **No**

**2** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? . . . . .  \_\_\_\_\_ **Yes** **No**

If YES, see page 5 of the instructions for other forms the organization may have to file.

**3** Enter the amount of tax-exempt interest received or accrued during the tax year  \$ \_\_\_\_\_ **Yes** **No**

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation

<b>1</b> Inventory at beginning of year . . . . . <b>1</b>		<b>6</b> Inventory at end of year . . . . . <b>6</b>	
<b>2</b> Purchases . . . . . <b>2</b>		<b>7</b> Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. . . . . <b>7</b>	
<b>3</b> Cost of labor . . . . . <b>3</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? . . . . . <input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	
<b>4 a</b> Additional section 263A costs (attach schedule) . . . . . <b>4a</b>			
<b>b</b> Other costs (attach schedule) . . . . . <b>4b</b>			
<b>5</b> Total. Add lines 1 through 4b . . . . . <b>5</b>			

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

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

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

**Paid Preparer's Use Only**

Preparer's signature \_\_\_\_\_ Date 05/17/2010 Check if self-employed  Preparer's SSN or PTIN P00482524

Firm's name (or yours if self-employed), address, and ZIP code **COHEN, RUTHERFORD + KNIGHT, PC** EIN 52-1202280

6903 ROCKLEDGE DRIVE, SUITE 500 Phone no. 301-828-1002

BETHESDA, MD 20817-1800

Form 990-T (2008)

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 19)

1 Description of property

(1) MEDI SPA

(2)
(3)
(4)

2 Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, 3(a) Deductions directly connected with the income. Includes rows (1) through (4) and a Total row.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 8, column (A). . . . . 30,601.
(b) Total deductions. Enter here and on page 1, Part I, line 8, column (B). . . . . 66,669.

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

Table with 5 columns: 1 Description of debt-financed property, 2 Gross income from or allocable to debt-financed property, 3 Deductions directly connected with or allocable to debt-financed property, 4 Amount of average acquisition debt, 5 Average adjusted basis, 6 Column 4 divided by column 5, 7 Gross income reportable, 8 Allocable deductions. Includes rows (1) through (4) and a Totals row.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

Table for Exempt Controlled Organizations with 6 columns: 1 Name of controlled organization, 2 Employer identification number, 3 Net unrelated income, 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column 5. Includes rows (1) through (4).

Table for Nonexempt Controlled Organizations with 5 columns: 7 Taxable Income, 8 Net unrelated income, 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income in column 10. Includes rows (1) through (4) and a Totals row.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 21)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Includes a Totals row.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income, 5 Gross income from activity, 6 Expenses attributable, 7 Excess exempt expenses. Includes a Totals row.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Includes a Totals row.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Includes a Totals row.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

Table with 4 columns: 1 Name, 2 Title, 3 Percent of time devoted to business, 4 Compensation attributable to unrelated business. Includes a Total row.



ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

=====

LEASE REAL ESTATE PROPERTY, PROVIDE MANAGEMENT SERVICES TO TAXABLE  
AFFILIATES, PROVIDE LAB SERVICES TO NON-HOSPITAL PATIENTS, PROVIDE  
ANSWERING SERVICE, PROVIDE PARKING TO NON-HOSPITAL PATRONS

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS  
=====

OTHER  
PARKING

10,655.  
978,800.

PART II - LINE 28 - OTHER DEDUCTIONS

-----  
989,455.  
=====

SCHEDULE C - RENT INCOME DEDUCTIONS

=====

MEDI SPA

-----

RENTAL EXPENSES	29,064.
CLEANING	1,200.
INTEREST	36,405.
	-----
TOTAL	66,669.
	=====