

# Return of Organization Exempt From Income Tax

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

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

**A** For the 2008 calendar year, or tax year beginning **JUL 1, 2008** and ending **JUN 30, 2009**

<p><b>B</b> Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Termination</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type.</p> <p>See Specific Instructions.</p>	<p><b>C</b> Name of organization <b>SHEPPARD PRATT HEALTH SYSTEM, INC.</b></p> <p>Doing Business As</p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>P.O. BOX 6815</b></p> <p>City or town, state or country, and ZIP + 4 <b>BALTIMORE, MD 21285</b></p>	<p><b>D</b> Employer identification number <b>52-0591684</b></p> <p><b>E</b> Telephone number <b>410-938-3000</b></p> <p><b>G</b> Gross receipts \$ <b>181,296,919.</b></p>
<p><b>F</b> Name and address of principal officer: <b>PATRICIA PINKERTON</b> <b>SAME AS C ABOVE</b></p>		<p><b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)</p> <p><b>H(c)</b> Group exemption number ▶</p>	
<p><b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( <b>3</b> ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</p>		<p><b>J</b> Website: ▶ <b>WWW.SHEPPARDPRATT.ORG</b></p>	
<p><b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</p>		<p><b>L</b> Year of formation: <b>1938</b> <b>M</b> State of legal domicile: <b>MD</b></p>	

**Part I Summary**

<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>PROVIDE INPATIENT BEHAVIORAL HEALTH CARE. PROVIDE RELATED BEHAVIORAL, SPECIAL EDUCATION, AND</b>		
<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) <span style="float:right">3</span>		
<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) <span style="float:right">27</span>		
<b>5</b>	Total number of employees (Part V, line 2a) <span style="float:right">26</span>		
<b>6</b>	Total number of volunteers (estimate if necessary) <span style="float:right">2845</span>		
<b>7a</b>	Total gross unrelated business revenue from Part VIII, line 12, column (C) <span style="float:right">484</span>		
<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34 <span style="float:right">606,160.</span>		
<b>8</b>	Contributions and grants (Part VIII, line 1h)		Prior Year
<b>9</b>	Program service revenue (Part VIII, line 2g)		Current Year
<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		1,146,814.
<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		1,579,604.
<b>12</b>	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		151,961,417.
<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		159,379,473.
<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)		3,603,544.
<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		8,296,224.
<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)		7,597,359.
<b>16b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>689,452.</b>		165,007,999.
<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		168,903,991.
<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		95,779,783.
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12		101,782,568.
<b>20</b>	Total assets (Part X, line 16)		62,416,032.
<b>21</b>	Total liabilities (Part X, line 26)		65,236,052.
<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20		158,195,815.
<b>23</b>	Beginning of Year		167,018,620.
<b>24</b>	End of Year		6,812,184.
<b>25</b>	Beginning of Year		1,885,371.
<b>26</b>	End of Year		263,323,081.
<b>27</b>	Beginning of Year		253,877,850.
<b>28</b>	End of Year		151,272,256.
<b>29</b>	Beginning of Year		159,264,973.
<b>30</b>	End of Year		112,050,825.

**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.

<b>Sign Here</b>	<p></p> <p>Signature of officer</p>	<p><b>5.7.10</b></p> <p>Date</p>
	<p><b>PATRICIA PINKERTON, CFO</b></p> <p>Type or print name and title</p>	

<b>Paid Preparer's Use Only</b>	<p>Preparer's signature ▶ <b>LORI S. BURGHAUSER</b></p> <p>Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ <b>SC&amp;H TAX &amp; ADVISORY SERVICES, LLC</b> <b>910 RIDGEBROOK ROAD</b> <b>SPARKS, MD 21152</b></p>	<p>Date <b>05/06/10</b></p>	<p>Check if self-employed <input type="checkbox"/></p> <p>EIN ▶</p>	<p>Preparer's identifying number (see instructions)</p> <p>Phone no. ▶ <b>410-403-1500</b></p>
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May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Form 8868 (Rev. 4-2009)

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- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box . Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).**

Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization Sheppard Pratt Health System Inc.	Employer identification number 52 0591684
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 6815	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Baltimore, MD 21285-6815	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of  Avery Dover  
Telephone No.  ( 410 ) 938-3337 FAX No.  ( 410 ) 938-3340
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until May 15, 2010.
- 5 For calendar year \_\_\_\_\_, or other tax year beginning July 1, 2008, and ending June 30, 2009.
- 6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension  
Additional time is needed to file a complete and accurate return

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	N/A

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title VP/CFO Date 2/2/10

Form **8868**  
(Rev. April 2009)  
Department of the Treasury  
Internal Revenue Service

### Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

#### Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization Sheppard Pratt Health System Inc.	Employer identification number 52 0591684	
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 6815		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Baltimore, MD 21285-6815		

Check type of return to be filed (file a separate application for each return):

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (corporation)
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

• The books are in the care of ▶ Avery Dover

Telephone No. ▶ ( 410 ) 938-3337 FAX No. ▶ ( 410 ) 938-3340

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until February 15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year 20\_\_\_\_ or
- ▶  tax year beginning July 1, 2008, and ending June 30, 2009.

2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notices, see Instructions.

Cat. No. 27916D

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- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **Note.** Only complete **Part II** if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of Exempt Organization		Employer identification number For IRS use only
	Number, street, and room or suite no. If a P.O. box, see instructions.		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		

- Check type of return to be filed (File a separate application for each return):
- |                                      |   |                                      |                                    |
|--------------------------------------|---|--------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990    | <input type="checkbox"/> Form 990-PF                              | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720   | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 5227   |                                    |

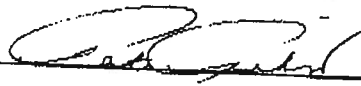
**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of  Telephone No.  FAX No.
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.
- 4 I request an additional 3-month extension of time until \_\_\_\_\_, 20\_\_\_\_.
- 5 For calendar year \_\_\_\_\_, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.
- 6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension \_\_\_\_\_

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	\$
8b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	\$
8c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	\$

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature  Title  VP/CFO Date  11/5/09

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission: SHEPPARD PRATT, A NOT-FOR-PROFIT BEHAVIORAL HEALTH SYSTEM, IS DEDICATED TO THE IMPROVEMENT OF QUALITY OF LIFE IN COMMUNITIES BY SERVING THE BEHAVIORAL HEALTH AND SPECIAL EDUCATION NEEDS OF INDIVIDUALS, FAMILIES AND ORGANIZATIONS.

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

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

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 \$ 150971750. including grants of \$ ) (Revenue \$ 164716963.) SHEPPARD PRATT HEALTH SYSTEM PROVIDES INPATIENT BEHAVIORAL HEALTH CARE, OUTPATIENT/ANCILLARY CARE, RESIDENTIAL SERVICES, SPECIAL EDUCATION TO STUDENTS AND RESIDENCY TRAINING PROGRAMS.

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 \$ 150,971,750. (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)? <i>If "Yes," complete Schedule A</i>	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? <i>If "Yes," complete Schedule C, Part I</i>		
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	X	X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	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? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>		X
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		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.? <i>If "Yes," complete Schedule F, Part I</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? <i>If "Yes," complete Schedule F, Part II</i>		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? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	X	
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>	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
24d		X
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b		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? <i>If "Yes," complete Schedule L, Part II</i>		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? <i>If "Yes," complete Schedule L, Part III</i>		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>		
28a		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
28b			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>		
28c		X	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
29		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>		
30			X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		
31			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>		
32			X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		
33			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>		
34		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>		
35			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>		
36			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>		
37			X

Form 990 (2008)

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	336	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
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	2845	
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
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		X
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
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
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?		
6a	Did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
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
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
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
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
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?		
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?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter: N/A		
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: N/A		
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?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	N/A	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**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	X	
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a	The organization's CEO, Executive Director, or top management official?	X	
b	Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **MD**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **▶**  
**AVERY DOVER - (410) 938-3337**  
**6501 NORTH CHARLES STREET, TOWSON, MD 21204**

**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			
MARGARET ALLEN TRUSTEE	1.00	X					0.	0.	0.	
EMILE A. BENDIT, M.D. TRUSTEE	1.00	X					0.	0.	0.	
JOHN E. CARNELL VICE CHAIRPERSON	1.00	X		X			0.	0.	0.	
HOWARD K. COHEN TRUSTEE	1.00	X					0.	0.	0.	
DR. W. BYRON FORBUSH CHAIRPERSON	1.00	X		X			0.	0.	0.	
LAURA GAMBLE TRUSTEE	1.00	X					0.	0.	0.	
ALAN GAMSE TRUSTEE	1.00	X					0.	0.	0.	
TIMOTHY R. HEARN VICE CHAIRPERSON	1.00	X		X			0.	0.	0.	
H. THOMAS HOWELL TRUSTEE	1.00	X					0.	0.	0.	
KENNETH JONES TRUSTEE	1.00	X					0.	0.	0.	
NORMA PEDEN KILLEBREW TRUSTEE	1.00	X					0.	0.	0.	
DAVID W. KINKOPF TRUSTEE	1.00	X					0.	0.	0.	
CHARLES E KNUDSEN TRUSTEE	1.00	X					0.	0.	0.	
ROBERT KRESSLEIN TRUSTEE	1.00	X					0.	0.	0.	
BRIAN LEGETTE TRUSTEE	1.00	X					0.	0.	0.	
ANNETTE R. MARCH-GRIER TRUSTEE	1.00	X					0.	0.	0.	
THE HON. J.F. MOTZ TRUSTEE	1.00	X					0.	0.	0.	

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

(A) Name and title	(B) Average hours per week	(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			
JENNIFER W. REYNOLDS TRUSTEE	1.00	X						0.	0.	0.
MARY ELLEN SATERLIE PH.D VICE CHAIRPERSON	1.00	X		X				0.	0.	0.
ROBERT SCHAFFTEL TRUSTEE	1.00	X						0.	0.	0.
GAIL SHAW TRUSTEE	1.00	X						0.	0.	0.
ALFRED SINGER TRUSTEE	1.00	X						0.	0.	0.
SOLOMON H. SNYDER, M.D. TRUSTEE	1.00	X						0.	0.	0.
JOHN W. STEELE, III TRUSTEE	1.00	X						0.	0.	0.
KATHLEEN KENNEDY TOWNSEN TRUSTEE	1.00	X						0.	0.	0.
ROGER A WAESCHE JR TRUSTEE	1.00	X						0.	0.	0.
SUSAN GAY WILLIAMS TRUSTEE	1.00	X						0.	0.	0.
<b>1b Total</b>								2,825,060.	0.	427,065.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **37**

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

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

(A) Name and business address	(B) Description of services	(C) Compensation
UNIVERSITY OF MARYLAND MEDICAL SYSTEM P.O. BOX 64468, BALTIMORE, MD 21264-4468	RESIDENCY TRAINING PROGRAM	2,481,897.
CENTER FOR EATING DISORDERS PA, 6535 N. CHARLES STREET, STE 300, BALTIMORE, MD	PROFESSIONAL FEES	1,770,324.
GREATER BALTIMORE MEDICAL CENTER 6701 N. CHARLES STREET, BALTIMORE, MD 21204	LAB FEES & OTHER CLINICAL SERVICES	1,438,102.
KINSLEY CONSTRUCTION, INC 2700 WATER STREET, YORK, PA 17405	BUILDING CONTRACTOR	797,145.
OAKWOOD CONSTRUCTION SERVICES P.O. BOX 4476, TIMONIUM, MD 21094	BUILDING CONTRACTOR	568,349.
2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization		<b>96</b>

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a 1,430.				
	b Membership dues	1b				
	c Fundraising events	1c 114,105.				
	d Related organizations	1d 4,000.				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1460069.				
	g Noncash contributions included in lines 1a-1f: \$	163,070.				
	h Total. Add lines 1a-1f	1,579,604.				
	Program Service Revenue	2 a PATIENT SERVICE REVENUE	Business Code 621990 94855871.	94855871.		
b EDUCATIONAL SVC REVENUE		611600 40568363.	40568363.			
c RTC/RESPITE REVENUE		623000 16746917.	16746917.			
d RETREAT REVENUE		621990 7,208,322.	7,208,322.			
e						
f All other program service revenue						
g Total. Add lines 2a-2f		159379473.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,472,187.		1472187.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real	1399498.			
		(ii) Personal				
		b Less: rental expenses	253,886.			
	c Rental income or (loss)	1145612.				
	d Net rental income or (loss)		1,145,612.		8. 1145604.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	10935095	(ii) Other 4,400.		
		b Less: cost or other basis and sales expenses	12019661	44,466.		
		c Gain or (loss)	-1084566	-40,066.		
		d Net gain or (loss)		-1124632.		-1124632.
	8 a Gross income from fundraising events (not including \$ 114,105. of contributions reported on line 1c). See Part IV, line 18	a	38,900.			
		b Less: direct expenses	b 74,915.			
		c Net income or (loss) from fundraising events		-36,015.	-36,015.	
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a INTERCORPORATE REVENUE	900099	3,023,203.	3,023,203.			
b OTHER OPERATING REVENUE	900099	2,858,407.	2,350,302.			
c OTHER REVENUE - UNRELA	900002	606,152.		606,152.	508,105.	
d All other revenue						
e Total. Add lines 11a-11d		6,487,762.				
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		168903991.	164716963.	606,160.	2001264.	

**Part IX** Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	3,971,835.		3,971,835.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	78,030,849.	74,248,494.	3,360,617.	421,738.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,256,386.	4,751,606.	477,873.	26,907.
9 Other employee benefits	8,504,076.	8,404,808.	51,674.	47,594.
10 Payroll taxes	6,019,422.	5,441,367.	547,242.	30,813.
11 Fees for services (non-employees):				
a Management				
b Legal	175,447.		175,447.	
c Accounting	421,323.		421,323.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	13,813,583.	13,095,966.	710,121.	7,496.
12 Advertising and promotion	563,240.	426,108.	135,525.	1,607.
13 Office expenses	2,897,188.	2,195,938.	621,007.	80,243.
14 Information technology	1,362,451.	36,460.	1,325,991.	
15 Royalties				
16 Occupancy	10,768,529.	9,781,592.	945,177.	41,760.
17 Travel	281,527.	212,194.	66,286.	3,047.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	64,853.	49,104.	11,793.	3,956.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,455,231.	11,165,645.	1,288,669.	917.
23 Insurance	2,306,919.	2,306,919.		
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 <b>INTERCORPORATE</b>	6,843,686.	6,460,121.	383,565.	
b <b>REPAIRS AND MAINTENANCE</b>	3,160,423.	2,456,781.	703,440.	202.
c <b>MEDICAL SUPPLIES</b>	3,081,388.	3,061,086.	20,302.	
d <b>FOOD</b>	2,551,821.	2,548,424.	2,262.	1,135.
e <b>BAD DEBT</b>	2,153,301.	2,153,301.		
f All other expenses	2,335,142.	2,175,836.	137,269.	22,037.
25 Total functional expenses. Add lines 1 through 24f	167,018,620.	150,971,750.	15,357,418.	689,452.
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	24,181,192.	1	17,054,432.	
	2 Savings and temporary cash investments		2		
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	19,788,562.	4	20,808,289.	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6		
	7 Notes and loans receivable, net	69,460.	7	75,982.	
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges	5,353,599.	9	4,819,601.	
	10a Land, buildings, and equipment: cost basis	10a 256,825,490.			
	10b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 89,315,164.			
	10c Total	168,102,364.	10c	167,510,326.	
	11 Investments - publicly traded securities		11		
	12 Investments - other securities. See Part IV, line 11	39,472,012.	12	37,562,404.	
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
15 Other assets. See Part IV, line 11	6,355,892.	15	6,046,816.		
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	263,323,081.	16	253,877,850.		
Liabilities	17 Accounts payable and accrued expenses	26,248,631.	17	29,520,658.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities	86,769,588.	20	84,994,544.	
	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	16,900,000.	23	16,900,000.	
	24 Unsecured notes and loans payable		24		
	25 Other liabilities. Complete Part X of Schedule D	21,354,037.	25	27,849,771.	
	26 <b>Total liabilities.</b> Add lines 17 through 25	151,272,256.	26	159,264,973.	
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	105,166,411.	27	87,138,289.	
	28 Temporarily restricted net assets	4,212,295.	28	4,571,934.	
	29 Permanently restricted net assets	2,672,119.	29	2,902,654.	
	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>	112,050,825.	33	94,612,877.		
34 <b>Total liabilities and net assets/fund balances</b>	263,323,081.	34	253,877,850.		

**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?		
b Were the organization's financial statements audited by an independent accountant?	2a	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?	2b	X
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?	2c	
b If "Yes," did the organization undergo the required audit or audits?	3a	X
	3b	



**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**

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 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge .....						
4 <b>Total.</b> 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 <b>Public Support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4 .....						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
9 Net income from unrelated business activities, whether or not the business is regularly carried on .....						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
11 <b>Total support.</b> Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions) .....					12	

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

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

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
- b **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 "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
- b **10% -facts-and-circumstances test - 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
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 - 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12.)						

**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

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

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

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

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

**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 B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

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

OMB No. 1545-0047

**2008**

Name of the organization

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer identification number

**52-0591684**

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).

LHA 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

Employer identification number

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

**52-0591684**

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	THE WHITING-TURNER CONTRACTING CO HAMPTON PLAZA, 300 E JOPPA ROAD BALTIMORE, MD 21286	\$ 375,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	RAY DALIO 40 GLENWOOD DR GREENWICH, CT 06830	\$ 400,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	LOUISE D. AND MORTON J. MACKS FAMILY 4750 OWINGS MILLS BLVD OWINGS MILLS, MD 21117	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	MILDRED KERN 725 MT WILSON LANE BALTIMORE, MD 21209	\$ 147,031.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	THE LENOARD AND HELEN R. STULMAN 6225 SMITH AVE BALTIMORE, MD 21209	\$ 375,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

**52-0591684**

**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
4	2,035 SHS AT&T, 1,245 SHS CONSOLIDATED EDISON, 412.73 SHS COLGATE PALMOLIVE, 1,025 SHS CONSTELL. EN	\$ 147,031.	11/03/08
		\$	
		\$	
		\$	
		\$	
		\$	

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

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**  
For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

**2008**  
Open to Public Inspection

▶ To be completed by organizations described below.  
▶ Attach to Form 990 or Form 990-EZ.

- If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then**
- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
  - Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
  - Section 527 organizations: Complete Part I-A only.

- If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
  - Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.
- If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then**
- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization SHEPPARD PRATT HEALTH SYSTEM, INC. Employer identification number 52-0591684

**Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.**  
See the instructions for Schedule C for details.

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

**Part I-B To be completed by all organizations exempt under section 501(c)(3).**  
See the instructions for Schedule C for details.

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

**Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).**  
See the instructions for Schedule C for details.

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

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

**Part II-A** To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

- A** Check  if the filing organization belongs to an affiliated group.  
**B** Check  if the filing organization checked box A and "limited control" provisions apply.

**Limits on Lobbying Expenditures**  
 (The term "expenditures" means amounts paid or incurred.)

(a) Filing organization's totals (b) Affiliated group totals

- 1a** Total lobbying expenditures to influence public opinion (grassroots lobbying) .....  
**b** Total lobbying expenditures to influence a legislative body (direct lobbying) .....  
**c** Total lobbying expenditures (add lines 1a and 1b) .....  
**d** Other exempt purpose expenditures .....  
**e** Total exempt purpose expenditures (add lines 1c and 1d) .....  
**f** Lobbying nontaxable amount. Enter the amount from the following table in both columns.

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e.
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.
Over \$17,000,000	\$1,000,000.

- g** Grassroots nontaxable amount (enter 25% of line 1f) .....  
**h** Subtract line 1g from line 1a. Enter -0- if line g is more than line a .....  
**i** Subtract line 1f from line 1c. Enter -0- if line f is more than line c .....  
**j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?  Yes  No

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

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2008

**Part II-B** To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		29,322.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i Other activities? If "Yes," describe in Part IV	X		3,392.
j Total lines 1c through 1i			32,714.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details.

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

**Part III-B** To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.

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

**Part IV Supplemental Information**  
Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

**PART II-B, LINE 1(I), OTHER LOBBYING ACTIVITIES:**

SHEPPARD PRATT RETAINS A LAW FIRM AS A REGISTERED LOBBYIST TO KEEP THE ORGANIZATION INFORMED AS TO ANY NEW LEGISLATION THAT MAY IMPACT THE OPERATIONS OF THE HOSPITAL. SHEPPARD PRATT ALSO PAYS DUES TO THE MARYLAND HOSPITAL ASSOCIATION. A PORTION OF THOSE DUES ARE USED FOR LOBBYING ACTIVITIES.

**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ 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.

OMB No. 1545-0047

**2008**

Open to Public Inspection

Name of the organization

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer identification number  
**52-0591684**

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

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

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

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

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

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

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically important land area

Protection of natural habitat  Preservation of certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?  Yes  No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

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

(i) Revenues included in Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

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

a Revenues included in Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

\$ 598,687.



**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	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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

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

**Part V Endowment Funds.** Complete if 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	24309678.				
b Contributions	2,554,589.				
c Investment earnings or losses	-2079830.				
d Grants or scholarships					
e Other expenditures for facilities and programs	1,499,932.				
f Administrative expenses					
g End of year balance	23284505.				

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

- a Board designated or quasi-endowment  68.00 %
- b Permanent endowment  12.00 %
- c Term endowment  20.00 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		5,824,010.		5,824,010.
b Buildings		200,022,468.	61,566,040.	138,456,428.
c Leasehold improvements				
d Equipment		42,424,263.	24,062,267.	18,361,996.
e Other		8,554,749.	3,686,857.	4,867,892.
<b>Total.</b> Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				167,510,326.



**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	168,903,991.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	167,018,620.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,885,371.
4	Net unrealized gains (losses) on investments	4	-2,684,318.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-16,639,001.
9	Total adjustments (net). Add lines 4-8	9	-19,323,319.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-17,437,948.

**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	167,961,847.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-2,262,861.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	3,792,214.
e	Add lines 2a through 2d	2e	1,529,353.
3	Subtract line 2e from line 1	3	166,432,494.
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	2,471,497.
c	Add lines 4a and 4b	4c	2,471,497.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	168,903,991.

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

1	Total expenses and losses per audited financial statements	1	169,835,900.
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	2,817,280.
e	Add lines 2a through 2d	2e	2,817,280.
3	Subtract line 2e from line 1	3	167,018,620.
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	0.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	167,018,620.

**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.

**PART III, LINE 4: THE ART COLLECTION OF SHEPPARD PRATT EXEMPLIFIES THE HEALING ASPECTS OF ART, BOTH FOR THE CREATOR AND THE OBSERVER. THIS UNIQUELY THEMED COLLECTION CELEBRATES THE CAPACITY FOR ARTISTIC ENDEAVOR TO TRANSCEND AND TRIUMPH OVER THE MENTAL ILLNESS AND ADDICTION.**

**PART X: SHEPPARD PRATT HEALTH SYSTEM, INC. IS A SUBSIDIARY IN THE CONSOLIDATED GROUP KNOWN AS SHEPPARD AND ENOCH PRATT FOUNDATION, INC. AND SUBSIDIARIES. AN AUDIT WAS PERFORMED AND AUDITED FINANCIAL STATEMENTS**

**Part XIV** Supplemental Information (continued)

WERE ISSUED FOR SHEPPARD AND ENOCH PRATT FOUNDATION, INC. AND SUBSIDIARIES ON A CONSOLIDATED BASIS. AUDITED FINANCIAL STATEMENTS WERE NOT PREPARED ON A SEPARATE BASIS FOR EACH ENTITY.

IN JUNE 2006, THE FASB ISSUED INTERPRETATION NO. 48, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, AN INTERPRETATION OF FASB STATEMENT NO. 109, ACCOUNTING FOR INCOME TAXES (FIN 48), WHICH CREATES A SINGLE MODEL TO ADDRESS UNCERTAINTY IN TAX PROVISIONS AND CLARIFIES THE ACCOUNTING FOR INCOME TAXES BY PRESCRIBING THE MINIMUM RECOGNITION THRESHOLD A TAX PROVISION IS REQUIRED TO MEET BEFORE BEING RECOGNIZED IN THE FINANCIAL STATEMENTS. UNDER THE REQUIREMENT OF FIN 48, TAX-EXEMPT ORGANIZATIONS COULD NOW BE REQUIRED TO RECORD AN OBLIGATION AS THE RESULT OF A TAX POSITION THEY HAVE HISTORICALLY TAKEN ON VARIOUS TAX EXPOSURE ITEMS. PRIOR TO FIN 48, THE DETERMINATION OF WHEN TO RECORD A LIABILITY FOR TAX EXPOSURE WAS BASED ON WHETHER A LIABILITY WAS CONSIDERED PROBABLE AND REASONABLY ESTIMABLE IN ACCORDANCE WITH FASB STATEMENT NO.5, ACCOUNTING FOR CONTINGENCIES. ON JULY 1, 2007, SHEPPARD AND ENOCH PRATT FOUNDATION ADOPTED FIN 48. SHEPPARD AND ENOCH PRATT FOUNDATION HAS DETERMINED THAT IT DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THROUGH JUNE 30, 2009. THE IMPACT OF THE ADOPTION OF FIN 48 ON SHEPPARD AND ENOCH PRATT FOUNDATION'S CONSOLIDATED FINANCIAL STATEMENTS IS NOT SIGNIFICANT.

## PART XI, LINE 8 - OTHER ADJUSTMENTS:

TRANSFERS TO AFFILIATES: -1134821.

UNREALIZED LOSS - PENSION LIABILITY: -15846204.

NET ASSETS RELEASED FROM RESTRICTION: -448305.

INTEREST IN NET ASSETS OF FOUNDATION: -224671.

PLEDGE RECEIVED ON BEHALF OF AFFILIATE: 1015000.

**Part XIV** Supplemental Information (continued)

PART XII, LINE 2D - OTHER ADJUSTMENTS:

PHYSICIANS PA OVERHEAD RECOVERY ALLOCATION: 2777214.

PLEDGE RECEIVED ON BEHALF OF AFFILIATE: 1015000.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

RESTRICTED CONTRIBUTIONS: 2554589.

INVESTMENT INCOME ON TEMPORARILY RESTRICTED ASSETS: 165598.

REALIZED LOSS ON TEMPORARILY RESTRICTED ASSETS: -208624.

REALIZED LOSS ON DISPOSAL OF FIXED ASSETS: -40066.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

PHYSICIANS PA OVERHEAD RECOVERY ALLOCATION: 2777214.

REALIZED LOSS ON DISPOSAL OF FIXED ASSETS: 40066.



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col. (a) through col. (c))
		BEATLEMANIA (event type)	(event type)	NONE (total number)	
Revenue	1	Gross receipts	153,005.		153,005.
	2	Less: Charitable contributions	114,105.		114,105.
	3	Gross revenue (line 1 minus line 2)	38,900.		38,900.
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs	28,438.		28,438.
	7	Other direct expenses	46,478.		46,478.
	8	Direct expense summary. Add lines 4 through 7 in column (d)			( 74,916. )
	9	Net income summary. Combine lines 3 and 8 in column (d)			-36,016.

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

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

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

a Is the organization licensed to operate gaming activities in each of these states? \_\_\_\_\_

b If "No," Explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? \_\_\_\_\_

b If "Yes," Explain: \_\_\_\_\_

11 Does the organization operate gaming activities with nonmembers? \_\_\_\_\_

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? \_\_\_\_\_

	Yes	No
9a		
10a		
11		
12		

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

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

<b>13a</b>		%
<b>13b</b>		%

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

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue?

<b>15a</b>		
------------	--	--

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_.
- c If "Yes," enter name and address:

Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

**16** Gaming manager information:

Name ▶ \_\_\_\_\_  
 Gaming manager compensation ▶ \$ \_\_\_\_\_  
 Description of services provided ▶ \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- Director/officer
- Employee
- Independent contractor

**17** Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?
- b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

<b>17a</b>		
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**SCHEDULE H  
(Form 990)**

OMB No. 1545-0047

**Hospitals**

**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

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer identification number  
**52-0591684**

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

	Yes	No
<b>1a</b> Does the organization have a charity care policy? If "No," skip to question 6a		
<b>b</b> If "Yes," is it a written policy?		
<b>2</b> 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		
<b>3</b> Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
<b>a</b> 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 _____ %		
<b>b</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 _____ %		
<b>c</b> 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.		
<b>4</b> Does the organization's policy provide free or discounted care to the "medically indigent"?		
<b>5a</b> Does the organization budget amounts for free or discounted care provided under its charity care policy?		
<b>b</b> If "Yes," did the organization's charity care expenses exceed the budgeted amount?		
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
<b>6a</b> Does the organization prepare an annual community benefit report?		
<b>b</b> If "Yes," does the organization make it available to the public?		

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



**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

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

OMB No. 1545-0047

**2008**

Open to Public Inspection

Name of the organization

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer identification number

**52-0591684**

**Part I Questions Regarding Compensation**

		Yes	No								
<p><b>1a</b> 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.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input checked="" type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input checked="" type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input checked="" type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>				<input type="checkbox"/> First-class or charter travel	<input checked="" type="checkbox"/> Housing allowance or residence for personal use	<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input checked="" 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)
<input type="checkbox"/> First-class or charter travel	<input checked="" type="checkbox"/> Housing allowance or residence for personal use										
<input checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence										
<input checked="" 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)										
<p><b>b</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</p>		<b>1b</b>	<b>X</b>								
<p><b>2</b> 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?</p>		<b>2</b>	<b>X</b>								
<p><b>3</b> 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.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Compensation committee</td> <td><input checked="" type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input checked="" type="checkbox"/> Independent compensation consultant</td> <td><input checked="" type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input checked="" type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>				<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract	<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study	<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee		
<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract										
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study										
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee										
<p><b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a:</p> <p><b>a</b> Receive a severance payment or change of control payment? <b>4a</b> <b>X</b></p> <p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? <b>4b</b> <b>X</b></p> <p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? <b>4c</b> <b>X</b></p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>											
<p><b>Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.</b></p>											
<p><b>5</b> 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:</p> <p><b>a</b> The organization? <b>5a</b> <b>X</b></p> <p><b>b</b> Any related organization? <b>5b</b> <b>X</b></p> <p>If "Yes," to line 5a or 5b, describe in Part III.</p>											
<p><b>6</b> 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:</p> <p><b>a</b> The organization? <b>6a</b> <b>X</b></p> <p><b>b</b> Any related organization? <b>6b</b> <b>X</b></p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>											
<p><b>7</b> 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 <b>7</b> <b>X</b></p>											
<p><b>8</b> 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 <b>8</b> <b>X</b></p>											

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Schedule J (Form 990) 2008



**Part III Supplemental Information** SHEPPARD PRATT HEALTH SYSTEM, INC.

52-0591684

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.

**PART I, LINE 1A: COMPENSATION IS PAID PER CONTRACT.**

**PART I, LINE 4A: MARY ANDRULEWICZ: \$161,720 AND MARCIA ELLIS: \$38,486**



**SCHEDULE K**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**Supplemental Information on Tax-Exempt Bonds**

▶ 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).

OMB No. 1545-0047

2008

Open to Public Inspection

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer identification number  
52-0591684

**Part I Bond Issues (Required for 2008) SEE SCHEDULE O FOR COLUMN (F) CONTINUATIONS**

(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
MD HEALTH & HIGHER EDUCATIONAL FACILITIES	A52-09360915	74217KL8	05/29/03	45590000.	CONSTRUCT NEW HSP TTL, RENOVATE EXISTING		X		X
MD HEALTH & HIGHER EDUCATIONAL FACILITIES	A52-09360915	74217KM6	05/29/03	45550000.	CONSTRUCT NEW HSP TTL, RENOVATE EXISTING		X		X
C									
D									
E									

**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	X		X							
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										

9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?	X		X							
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

**Part III Private Business Use (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						
2 Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

12-19-08 LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

	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						
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use?		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						
<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	X	1.00 %	X	1.00 %						
<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		1.00 %		1.00 %						
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>Part IV Arbitrage (Optional for 2008)</b>										
<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							
<b>2</b> Is the bond issue a variable rate issue?		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						
<b>b</b> Name of provider										
<b>c</b> Term of hedge										
<b>4a</b> Were gross proceeds invested in a GIC?		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						
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X						
<b>6</b> Did the bond issue qualify for an exception to rebate?		X		X						





**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**NonCash Contributions**

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

▶ Attach to Form 990.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer identification number

**52-0591684**

**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				
9 Securities - Publicly traded	X	7	150,107	STOCK EXCHANGE
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 ▶ ( ITEMS FOR SIL )	X	37	12,963	FAIR MARKET VALUE
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 Acknowledgment ..... **29** 0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 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?		
b If "Yes," describe the arrangement in Part II.		X
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?		
b If "Yes," describe in Part II.		X
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.		

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

Schedule M (Form 990) 2008

**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

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number  
52-0591684

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

RESIDENTIAL CARE FOR CHILDREN/ADOLESCENTS. SPONSOR RESIDENCY TRAINING PROGRAMS.

FORM 990, PART VI, SECTION A, LINE 4: THE ORGANIZATION AMENDED ITS BYLAWS DURING THE YEAR. THE CHANGES ARE SUMMARIZED BELOW:

1. REMOVAL OF POSITION OF EXECUTIVE VICE PRESIDENT.
2. THE AUTHORITY TO PERFORM THE PRESIDENT'S DUTIES IN THE PRESIDENT'S ABSENCE OR DURING THE PRESIDENT'S INABILITY TO ACT WAS GRANTED TO EITHER THE TREASURER OR TO AN INDIVIDUAL EXPRESSLY DESIGNATED BY THE PRESIDENT OR TRUSTEES.
3. THE ESTABLISHMENT OF AN EXECUTIVE COMPENSATION COMMITTEE.

FORM 990, PART VI, SECTION A, LINE 6: SHEPPARD & ENOCH PRATT FOUNDATION, INC. IS THE SOLE MEMBER OF THE ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 7A: SHEPPARD & ENOCH PRATT FOUNDATION HOLDS RESERVED RIGHTS WHICH INCLUDE THE POWERS TO APPOINT BOARD MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7B: SHEPPARD & ENOCH PRATT FOUNDATION HOLDS RESERVED RIGHTS WHICH INCLUDE THE POWERS TO APPOINT AND REMOVE BOARD MEMBERS. THE FOUNDATION ALSO HOLDS THE RIGHT TO APPROVE CERTAIN SELECT TRANSACTION OF ITS SUBSIDIARIES.

FORM 990, PART VI, SECTION A, LINE 10: THE FINANCE COMMITTEE OF THE BOARD OF TRUSTEES WILL REVIEW AND APPROVE THE 990. THE FINANCE COMMITTEE WILL

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

Schedule O (Form 990) 2008

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization

**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

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number  
52-0591684

THEN PRESENT THE 990 TO THE BOARD OF TRUSTEES AND RECOMMEND THEIR APPROVAL.  
FOLLOWING BOARD APPROVAL, THE 990 WILL BE FILED.

FORM 990, PART VI, SECTION B, LINE 12C: THE ORGANIZATION REQUIRES ALL TRUSTEES AND KEY EXECUTIVE PERSONNEL TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE ANNUALLY. THE COMPLETED QUESTIONNAIRES ARE REVIEWED BY THE CFO WHO SUMMARIZES THE REPORTED CONFLICTS. THIS INFORMATION IS THEN PRESENTED TO THE CEO AND TO THE CHAIRMAN OF THE BOARD FOR REVIEW. CONFLICTS ARE REPORTED AT BOARD MEETINGS AS APPROPRIATE.

FORM 990, PART VI, SECTION B, LINE 15: SALARIES OF THE CEO AND TOP MANAGEMENT/PHYSICIANS ARE REVIEWED BY THE EMPLOYEE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES. THIS COMMITTEE IS COMPRISED OF INDEPENDENT TRUSTEES. THE TRUSTEES REVIEW COMPENSATION FOR REASONABLENESS. THEY USE COMPARATIVE INDUSTRY DATA IN THEIR REVIEW PROCESS. THE PROCESS FOR EMPLOYEE COMPENSATION INCLUDES DEVELOPMENT OF COMPENSATION RECOMMENDATIONS BASED ON MARKET SURVEYS AND OTHER COMPARATIVE INDUSTRY DATA. THE SALARY INFORMATION FOR THIS GROUP IS OBTAINED BY A CONSULTANT THAT IS EMPLOYED BY THE EXECUTIVE COMPENSATION COMMITTEE. THIS CONSULTANT USES CURRENT MARKET COMPENSATION SURVEYS AND OTHER COMPARATIVE INDUSTRY DATA TO MAKE RECOMMENDATIONS. THE RECOMMENDATIONS ARE THEN PRESENTED TO THE EXECUTIVE TEAM MEMBERS FOR FURTHER REVIEW. ULTIMATELY, THE FINANCE COMMITTEE OF THE BOARD RECOMMENDS ADOPTION TO THE FULL BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION POSTS ITS FINANCIAL STATEMENTS QUARTERLY ON THE DAC WEBSITE. FINANCIAL STATEMENTS

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Schedule O (Form 990) 2008

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

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AND OTHER POLICIES ARE AVAILABLE UPON REQUEST.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FACILITIES AUTHORITY

(F) DESCRIPTION OF PURPOSE:

CONSTRUCT NEW HSPTL, RENOVATE EXISTING HSPTL, & REFUND PREVIOUS BOND ISSUES

(A) ISSUER NAME: MD HEALTH & HIGHER EDUCATIONAL FACILITIES AUTHORITY

(F) DESCRIPTION OF PURPOSE:

CONSTRUCT NEW HSPTL, RENOVATE EXISTING HSPTL, & REFUND PREVIOUS BOND ISSUES

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BANK OF AMERICA

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

INDIRECT BUSINESS

(C) AMOUNT OF TRANSACTION \$ 609572.

(D) DESCRIPTION OF TRANSACTION: MS. GAMBLE IS A TRUSTEE ON THE ORGANIZATION'S BOARD. MS. GAMBLE WAS PRESIDENT OF BANK OF AMERICA, MD UNTIL JANUARY 2009. BANK OF AMERICA IS THE ORGANIZATION'S PRIMARY BUSINESS BANK.

(E) SHARING OF ORGANIZATION REVENUES? = NO

FORM 990, PART XI, LINE 2:

SHEPPARD PRATT HEALTH SYSTEM, INC. IS A SUBSIDIARY IN THE CONSOLIDATED GROUP KNOWN AS SHEPPARD AND ENOCH PRATT FOUNDATION, INC. AND SUBSIDIARIES. AN AUDIT WAS PERFORMED AND AUDITED FINANCIAL STATEMENTS

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

Schedule O (Form 990) 2008

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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WERE ISSUED FOR SHEPPARD AND ENOCH PRATT FOUNDATION, INC. AND  
SUBSIDIARIES ON A CONSOLIDATED BASIS. AUDITED FINANCIAL STATEMENTS  
WERE NOT PREPARED ON A SEPARATE BASIS FOR EACH ENTITY.







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

- 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?
  - a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
  - b Gift, grant, or capital contribution to other organization(s)
  - c Gift, grant, or capital contribution from other organization(s)
  - d Loans or loan guarantees to or for other organization(s)
  - e Loans or loan guarantees by other organization(s)
  - f Sale of assets to other organization(s)
  - g Purchase of assets from other organization(s)
  - h Exchange of assets
  - i Lease of facilities, equipment, or other assets to other organization(s)
  - j Lease of facilities, equipment, or other assets from other organization(s)
  - k Performance of services or membership or fundraising solicitations for other organization(s)
  - l Performance of services or membership or fundraising solicitations by other organization(s)
  - m Sharing of facilities, equipment, mailing lists, or other assets
  - n Sharing of paid employees
  - o Reimbursement paid to other organization for expenses
  - p Reimbursement paid by other organization for expenses
  - q Other transfer of cash or property to other organization(s)
  - r Other transfer of cash or property from other organization(s)

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

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved	Yes	No
(1)					X
(2)				X	
(3)				X	
(4)				X	
(5)				X	
(6)				X	



