



TAX & ADVISORY  
SERVICES, LLC

910 Ridgebrook Road  
Sparks, MD 21152

May 9, 2011

Avery J. Dover  
Sheppard Pratt Health System, Inc.  
P.O. Box 6815  
Baltimore, MD 21285

Dear Avery:

Enclosed are the organization's 2009 Exempt Organization returns. The paper filed return(s) should be signed, dated, and mailed, as indicated.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has been prepared for electronic filing. If you wish to have it transmitted electronically to the IRS, please sign, date, and return Form 8879-EO to our office. We will then submit the electronic return to the IRS. Do not mail a paper copy of the return to the IRS.

FORM 990-T RETURN:

No amount is due on Form 990-T.

Please sign and mail on or before May 16, 2011.

Mail to - Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0027

Maryland Form 500:

Please sign and mail on or before May 16, 2011.

Mail to - Comptroller of Maryland  
Revenue Administration Division  
Annapolis, MD 21411-0001

A copy of Form 990 is enclosed for inclusion in your Maryland filing.

Maryland requires the attachment of a board list including home addresses. Please include this information with your

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A Member of SC&H Group, LLC

Phone: (410) 403-1500 ♦ Toll Free: (800) 832-3008 ♦ Fax: (410) 403-1570 ♦ Web: [www.SCandH.com](http://www.SCandH.com)

Maryland filing.

We have prepared the returns from information you furnished us without verification. Upon examination of the returns by tax authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such possible examinations.

We have provided you tax advice in connection with the preparation of your U.S. federal tax return and associated tax planning services we have furnished. This advice is not intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose.

Please review the returns for completeness and accuracy.

We have enclosed mailing envelopes for your convenience in filing the returns.

We recommend that you use certified mail with post marked receipt for proof of timely filing.

We sincerely appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax returns.

Very truly yours,

Lori S. Burghauser

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

..... June 30, 2010 .....

<b>Prepared for</b>	Sheppard Pratt Health System, Inc. P.O. Box 6815 Baltimore, MD 21285
<b>Prepared by</b>	SC&H Tax & Advisory Services, LLC 910 Ridgebrook Road Sparks, MD 21152
<b>Amount due or refund</b>	Not applicable
<b>Make check payable to</b>	Not applicable
<b>Mail tax return and check (if applicable) to</b>	Not applicable
<b>Return must be mailed on or before</b>	Not applicable
<b>Special Instructions</b>	This return has been prepared for electronic filing. If you wish to have it transmitted electronically to the IRS, please sign, date, and return Form 8879-EO to our office. We will then submit the electronic return to the IRS. Do not mail a paper copy of the return to the IRS.

**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 2009 calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type.  See Specific Instructions.	<b>C</b> Name of organization <b>SHEPPARD PRATT HEALTH SYSTEM, INC.</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>P.O. BOX 6815</b> City or town, state or country, and ZIP + 4 <b>BALTIMORE, MD 21285</b>	<b>D</b> Employer identification number <b>52-0591684</b>
		<b>F</b> Name and address of principal officer: <b>PATRICIA PINKERTON</b> <b>SAME AS C ABOVE</b>	<b>E</b> Telephone number <b>410-938-3000</b>
		<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	<b>G</b> Gross receipts \$ <b>189,681,028.</b>
		<b>J</b> Website: <b>WWW.SHEPPARDPRATT.ORG</b>	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
		<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: <b>1938</b> <b>M</b> State of legal domicile: <b>MD</b>

Part I Summary																					
		1 Briefly describe the organization's mission or most significant activities: <b>PROVIDE INPATIENT BEHAVIORAL HEALTH CARE. PROVIDE RELATED BEHAVIORAL, SPECIAL EDUCATION, AND</b>																			
		2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.																			
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	27																		
	4	Number of independent voting members of the governing body (Part VI, line 1b)	26																		
	5	Total number of employees (Part V, line 2a)	2871																		
	6	Total number of volunteers (estimate if necessary)	572																		
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	560,008.																		
	7b	Net unrelated business taxable income from Form 990-T, line 34	-277,691.																		
	Revenue			<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;"></th> <th style="width:25%;">Prior Year</th> <th style="width:25%;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">1,579,604.</td> <td style="text-align: right;">950,183.</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">159,379,473.</td> <td style="text-align: right;">167,554,391.</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">347,555.</td> <td style="text-align: right;">1,887,337.</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">7,597,359.</td> <td style="text-align: right;">7,185,832.</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">168,903,991.</td> <td style="text-align: right;">177,577,743.</td> </tr> </tbody> </table>		Prior Year	Current Year	8 Contributions and grants (Part VIII, line 1h)	1,579,604.	950,183.	9 Program service revenue (Part VIII, line 2g)	159,379,473.	167,554,391.	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	347,555.	1,887,337.	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,597,359.	7,185,832.	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	168,903,991.
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12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	168,903,991.	177,577,743.																			
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)																			
	14	Benefits paid to or for members (Part IX, column (A), line 4)																			
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	101,782,568.																		
	16a	Professional fundraising fees (Part IX, column (A), line 11e)																			
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>669,312.</b>																			
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	65,236,052.																		
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	167,018,620.																		
	19	Revenue less expenses. Subtract line 18 from line 12	1,885,371.																		
Net Assets or Fund Balances			<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:50%;"></th> <th style="width:25%;">Beginning of Current Year</th> <th style="width:25%;">End of Year</th> </tr> </thead> <tbody> <tr> <td>20 Total assets (Part X, line 16)</td> <td style="text-align: right;">253,877,850.</td> <td style="text-align: right;">261,950,441.</td> </tr> <tr> <td>21 Total liabilities (Part X, line 26)</td> <td style="text-align: right;">159,264,973.</td> <td style="text-align: right;">170,392,608.</td> </tr> <tr> <td>22 Net assets or fund balances. Subtract line 21 from line 20</td> <td style="text-align: right;">94,612,877.</td> <td style="text-align: right;">91,557,833.</td> </tr> </tbody> </table>		Beginning of Current Year	End of Year	20 Total assets (Part X, line 16)	253,877,850.	261,950,441.	21 Total liabilities (Part X, line 26)	159,264,973.	170,392,608.	22 Net assets or fund balances. Subtract line 21 from line 20	94,612,877.	91,557,833.						
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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>	Signature of officer <b>PATRICIA PINKERTON, CFO</b> Type or print name and title	Date		
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶ <b>LORI S. BURGHAUSER</b> 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>	Date <b>05/09/11</b>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) <b>EIN ▶</b> Phone no. ▶ <b>410-403-1500</b>

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

Form 8868 (Rev. 1-2011)

Page 2

- 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 your return. See instructions.	Name of exempt organization <b>Sheppard Pratt Health System, Inc.</b>	Employer identification number <b>52-0591684</b>
	Number, street, and room or suite no. If a P.O. box, see Instructions. <b>P.O.Box 6815</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Baltimore, MD 21285-6815</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)  0  1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**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.

- I request an additional 3-month extension of time until **May 16, 2011**, 20\_\_\_\_.
- For calendar year \_\_\_\_\_, or other tax year beginning **July 1**, 20 **09**, and ending **June 30**, 20 **10**.
- If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- State in detail why you need the extension **Additional time is needed to file a complete and accurate return.**

<b>8a</b> 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.	<b>8a</b>	\$	
<b>b</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.	<b>8b</b>	\$	
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	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/CEO** Date **1-31-11**

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, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶  calendar year 20 . . . . .
- ▶  tax year beginning July 1, 2009, and ending June 30, 2010.

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 <b>Balance Due.</b> 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	\$

**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.

Part III Statement of Program Service Accomplishments

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? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

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

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

4a (Code: ) (Expenses \$ 157801731. including grants of \$ ) (Revenue \$ 172594220. ) 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 \$ 157,801,731.

**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> .....		X
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	
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 similar funds or 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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....	X	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> .....	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		X
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i> .....	X	
13	Is the organization a school 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 United States? .....		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <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 a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i> .....	X	



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

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

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	<b>1a</b> 371		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	<b>1b</b> 0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	<b>1c</b>		
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	<b>2a</b> 2871		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	<b>5c</b>		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	<b>6b</b>		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	<b>7d</b>		
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	<b>7g</b>		
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	<b>7h</b>		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	<b>8</b>		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
	<b>9a</b>		
	<b>9b</b>		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

		Yes	No
1a	Enter the number of voting members of the governing body		
			27
1b	Enter the number of voting members that are independent		
			26
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:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	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?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	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?		

**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. Report compensation for the calendar year ending with or within the organization's tax year. 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. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, 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 current officer, director, or trustee.

(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			
DR. W. BYRON FORBUSH CHAIRPERSON	1.00	X		X			0.	0.	0.	
JOHN E. CARNELL VICE CHAIRPERSON	1.00	X		X			0.	0.	0.	
TIMOTHY R. HEARN VICE CHAIRPERSON	1.00	X		X			0.	0.	0.	
MARY ELLEN SATERLIE PH.D. VICE CHAIRPERSON	1.00	X		X			0.	0.	0.	
MARGARET ALLEN TRUSTEE	1.00	X					0.	0.	0.	
EMILE A. BENDIT, M.D. TRUSTEE	1.00	X					0.	0.	0.	
HOWARD K. COHEN TRUSTEE	1.00	X					0.	0.	0.	
LAURA GAMBLE TRUSTEE	1.00	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 LE GETTE TRUSTEE	1.00	X					0.	0.	0.	
ANNETTE R. MARCH-GRIER TRUSTEE	1.00	X					0.	0.	0.	
FRED F. MIRMIRAN 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			
THE HON. J.F. MOTZ TRUSTEE	1.00	X						0.	0.	0.
ROBERT SCHAFFTEL TRUSTEE	1.00	X						0.	0.	0.
GAIL SHAWE TRUSTEE	1.00	X						0.	0.	0.
ALFRED SINGER TRUSTEE	1.00	X						0.	0.	0.
JOHN W. STEELE, III TRUSTEE	1.00	X						0.	0.	0.
KATHLEEN KENNEDY TOWNSEND 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.
ALFRED WINDESHEIM TRUSTEE	1.00	X						0.	0.	0.
PAMELA P. YOUNG, PH.D. TRUSTEE	1.00	X						0.	0.	0.
<b>1b Total</b>								<b>3,148,221.</b>	<b>0.</b>	<b>459,083.</b>

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **32**

	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	X	
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

**Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
OAKWOOD CONSTRUCTION SERVICES P.O. BOX 4476, TIMONIUM, MD 21094	BUILDING CONTRACTOR	3,703,397.
CENTER FOR EATING DISORDERS PA, 6535 N. CHARLES STREET, STE 300, BALTIMORE, MD	PROFESSIONAL FEES	1,837,186.
UNIVERSITY OF MARYLAND MEDICAL SYSTEM P.O. BOX 64468, BALTIMORE, MD 21264-4468	RESIDENCY TRAINING PROGRAM	1,480,355.
GREATER BALTIMORE MEDICAL CENTER 6701 N. CHARLES STREET, BALTIMORE, MD 21204	LAB FEES & OTHER CLINICAL SERVICES	1,470,435.
WHITING TURNER CONTRACTING CO 300 E JOPPA ROAD, BALTIMORE, MD 21286	BUILDING CONTRACTOR	677,952.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **110**

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

Part VIII		Statement of Revenue		(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a	819.				
	b	Membership dues	1b					
	c	Fundraising events	1c	162,893.				
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	786,471.				
	g	Noncash contributions included in lines 1a-1f: \$		37,981.				
	h	<b>Total.</b> Add lines 1a-1f			950,183.			
	Program Service Revenue	2 a	<b>PATIENT SERVICE REVENUE</b>	Business Code 621990	100939450.	100939450.		
b		<b>EDUCATIONAL SVC REVENUE</b>	611600	42216439.	42216439.			
c		<b>RTC/RESPITE REVENUE</b>	623000	17090027.	17090027.			
d		<b>RETREAT REVENUE</b>	621990	7,308,475.	7,308,475.			
e								
f		All other program service revenue						
g		<b>Total.</b> Add lines 2a-2f			167554391.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1,129,699.			1129699.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	1141942.				
		b	Less: rental expenses					
		c	Rental income or (loss)	1141942.				
		d	Net rental income or (loss)		1,141,942.			1141942.
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	12794432				
		b	Less: cost or other basis and sales expenses	12026891	9,903.			
		c	Gain or (loss)	767,541.	-9,903.			
		d	Net gain or (loss)		757,638.			757,638.
	8 a	Gross income from fundraising events (not including \$ 162,893. of contributions reported on line 1c). See Part IV, line 18	a	24,255.				
		b	Less: direct expenses	b	66,491.			
		c	Net income or (loss) from fundraising events		-42,236.			-42,236.
	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	<b>OTHER OPERATING REVENUE</b>	900099	2,805,303.	2,319,014.		486,289.		
b	<b>INTERCORPORATE REVENUE</b>	900099	2,720,815.	2,720,815.				
c	<b>OTHER REVENUE - UNRELA</b>	900002	560,008.		560,008.			
d	All other revenue							
e	<b>Total.</b> Add lines 11a-11d			6,086,126.				
12	<b>Total revenue.</b> See instructions.			177577743.	172594220.	560,008.	3473332.	

**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 .....	3,125,655.		2,964,530.	161,125.
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 .....	80,889,643.	76,632,842.	4,020,903.	235,898.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....	6,008,448.	5,661,886.	317,311.	29,251.
9 Other employee benefits .....	10,191,239.	10,028,023.	111,409.	51,807.
10 Payroll taxes .....	5,953,209.	5,778,160.	145,197.	29,852.
11 Fees for services (non-employees):				
a Management .....				
b Legal .....	237,674.		237,674.	
c Accounting .....	438,000.		438,000.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17 .....				
f Investment management fees .....				
g Other .....	13,600,544.	12,979,535.	612,121.	8,888.
12 Advertising and promotion .....	630,661.	505,732.	113,747.	11,182.
13 Office expenses .....	2,959,166.	2,295,386.	593,268.	70,512.
14 Information technology .....	1,536,059.	52,081.	1,483,978.	
15 Royalties .....				
16 Occupancy .....	9,610,500.	8,796,956.	778,261.	35,283.
17 Travel .....	277,517.	233,568.	40,558.	3,391.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....	90,548.	81,511.	7,661.	1,376.
20 Interest .....				
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	11,891,922.	11,044,307.	838,354.	9,261.
23 Insurance .....	2,249,369.	2,249,369.		
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> .....	7,390,502.	7,030,737.	359,765.	
b <b>SUPPLIES</b> .....	3,845,252.	3,826,240.	19,012.	
c <b>BAD DEBT</b> .....	3,390,455.	3,390,455.		
d <b>REPAIRS AND MAINTENANCE</b> .....	3,362,156.	2,627,676.	734,480.	
e <b>FOOD</b> .....	2,749,133.	2,742,244.	1,543.	5,346.
f All other expenses .....	2,007,452.	1,845,023.	146,289.	16,140.
25 <b>Total functional expenses.</b> Add lines 1 through 24f	172,435,104.	157,801,731.	13,964,061.	669,312.
26 <b>Joint costs.</b> 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	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	17,054,432.	<b>1</b>	29,233,990.	
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>		
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>		
	<b>4</b> Accounts receivable, net .....	20,808,289.	<b>4</b>	22,314,331.	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>		
	<b>6</b> 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 .....		<b>6</b>		
	<b>7</b> Notes and loans receivable, net .....	75,982.	<b>7</b>	191,442.	
	<b>8</b> Inventories for sale or use .....		<b>8</b>		
	<b>9</b> Prepaid expenses and deferred charges .....	4,819,601.	<b>9</b>	4,008,813.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 262,324,434.			
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 100,758,985.			
		167,510,326.	<b>10c</b>	161,565,449.	
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>		
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	37,562,404.	<b>12</b>	38,067,175.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>		
	<b>14</b> Intangible assets .....		<b>14</b>		
<b>15</b> Other assets. See Part IV, line 11 .....	6,046,816.	<b>15</b>	6,569,241.		
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	253,877,850.	<b>16</b>	261,950,441.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	29,520,658.	<b>17</b>	25,798,855.	
	<b>18</b> Grants payable .....		<b>18</b>		
	<b>19</b> Deferred revenue .....		<b>19</b>		
	<b>20</b> Tax-exempt bond liabilities .....	84,994,544.	<b>20</b>	97,165,868.	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>		
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	16,900,000.	<b>23</b>		
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>		
	<b>25</b> Other liabilities. Complete Part X of Schedule D .....	27,849,771.	<b>25</b>	47,427,885.	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	159,264,973.	<b>26</b>	170,392,608.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
	<b>27</b> Unrestricted net assets .....	87,138,289.	<b>27</b>	84,155,363.	
	<b>28</b> Temporarily restricted net assets .....	4,571,934.	<b>28</b>	4,498,316.	
	<b>29</b> Permanently restricted net assets .....	2,902,654.	<b>29</b>	2,904,154.	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>		
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>		
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>		
	<b>33</b> Total net assets or fund balances .....	94,612,877.	<b>33</b>	91,557,833.	
	<b>34</b> Total liabilities and net assets/fund balances .....	253,877,850.	<b>34</b>	261,950,441.	



**Part XI Financial Statements and Reporting**

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

Form 990 (2009)

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

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

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

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

OMB No. 1545-0047

**2009**

Open to Public Inspection

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

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

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

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? .....		
(ii) A family member of a person described in (i) above? .....		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....		
- h Provide the following information about the supported organization(s).

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2009

**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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 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 2009 (line 6, column (f) divided by line 11, column (f)) ..... **14** \_\_\_\_\_ %

**15** Public support percentage from 2008 Schedule A, Part II, line 14 ..... **15** \_\_\_\_\_ %

**16a 33 1/3% support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**b 33 1/3% support test - 2008.** If the organization did not check 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 - 2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**b 10% -facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....

**Part 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 2009 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2008 Schedule A, Part III, line 15 .....	<b>16</b>	%

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

<b>17</b> Investment income percentage for <b>2009</b> (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2008</b> Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

**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, or 990-PF.

OMB No. 1545-0047

**2009**

Name of the organization

Employer identification number

SHEPPARD PRATT HEALTH SYSTEM, INC.

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 an organization 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 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 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 (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions 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 990-EZ that received from any one contributor, during the year, 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.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does 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, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization <b>SHEPPARD PRATT HEALTH SYSTEM, INC.</b>	Employer identification number <b>52-0591684</b>
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**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	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	CHARLES & PAULA MOSS FOUNDATION 137 HORSESHOE ROAD MILL NECK, NY 11765	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	LILA E. O'MEARA 807 EAST SEMINARY AVENUE BALTIMORE, MD 21286	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	THE ESTATE OF PARSONS NEWMAN TWO PNC BANK PLAZA, 620 LIBERTY AVENUE PITTSBURGH, PA 15222	\$ 52,945.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	RIGGS, COUNSELMAN, MICHAELS & DOWNES 555 FAIRMONT AVE BALTIMORE, MD 21286	\$ 22,950.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	VERIZON FOUNDATION 1 VERIZON WAY BASKING RIDGE, NJ 07920	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

<b>Name of organization</b>  SHEPPARD PRATT HEALTH SYSTEM, INC.	<b>Employer identification number</b>  52-0591684
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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	BENNO AND ELAYNE HURWITZ FAMILY FOUNDATION, INC  100 EAST PRATT STREET, 26TH FLOOR  BALTIMORE, MD 21202	\$ 50,000.	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.)
_____	_____  _____  _____	\$ _____	Person <input 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.)
_____	_____  _____  _____	\$ _____	Person <input 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.)
_____	_____  _____  _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>  (Complete Part II if there is a noncash contribution.)

<b>Name of organization</b>  SHEPPARD PRATT HEALTH SYSTEM, INC.	<b>Employer identification number</b>  52-0591684
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**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
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____



<b>Name of organization</b>  SHEPPARD PRATT HEALTH SYSTEM, INC.	<b>Employer identification number</b>  52-0591684
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**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

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

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

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

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

**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 <b>SHEPPARD PRATT HEALTH SYSTEM, INC.</b>	Employer identification number <b>52-0591684</b>
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

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

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

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

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

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

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

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2009 LHA

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

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

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

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 on page 4.)

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

Schedule C (Form 990 or 990-EZ) 2009

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers? .....		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
<b>c</b> Media advertisements? .....		X	
<b>d</b> Mailings to members, legislators, or the public? .....		X	
<b>e</b> Publications, or published or broadcast statements? .....		X	
<b>f</b> Grants to other organizations for lobbying purposes? .....		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body? .....	X		33,505.
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? .....		X	
<b>i</b> Other activities? If "Yes," describe in Part IV .....	X		3,016.
<b>j</b> Total. Add lines 1c through 1i .....			36,521.
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? .....		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912 .....			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912 .....			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? .....			

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

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

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

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

**Part IV Supplemental Information**

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

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

SHEPPARD PRATT RETAINS A LAW FIRM AS A REGISTERED LOBBYIST FOR \$33,505 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 (\$3,016) ARE USED FOR LOBBYING ACTIVITIES.

**Schedule D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

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

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d

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

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

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

Yes  No

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

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

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

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

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

(check all that apply):

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	2,902,654.	2,672,119.			
b Contributions	1,500.	230,535.			
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	2,904,154.	2,902,654.			

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

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  100.00 %
- c Term endowment  \_\_\_\_\_ %

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?		

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,146,360.		6,146,360.
b Buildings		202,196,594.	69,066,438.	133,130,156.
c Leasehold improvements				
d Equipment		45,934,367.	27,638,484.	18,295,883.
e Other		8,047,113.	4,054,063.	3,993,050.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				161,565,449.

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

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Includes rows for Financial derivatives, Closely-held equity interests, and Total (38,067,175).

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

Table with 3 columns: (a) Description of investment type, (b) Book value, (c) Method of valuation. Includes Total (Col (b) must equal Form 990, Part X, col (B) line 13.)

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

Table with 2 columns: (a) Description, (b) Book value. Includes Total (Column (b) must equal Form 990, Part X, col (B) line 15.)

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

Table with 2 columns: (a) Description of liability, (b) Amount. Includes rows for Federal income taxes, SELF-INSURANCE LIABILITY, CAPITAL LEASE OBLIGATIONS, ACCRUED PENSION LIABILITY, DUE TO AFFILIATES, and Total (47,427,885).

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	177,577,743.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	172,435,104.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	5,142,639.
4	Net unrealized gains (losses) on investments	4	1,268,227.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-9,465,910.
9	Total adjustments (net). Add lines 4 through 8	9	-8,197,683.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-3,055,044.

**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	179,876,961.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	1,030,207.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	2,359,227.
e	Add lines 2a through 2d	2e	3,389,434.
3	Subtract line 2e from line 1	3	176,487,527.
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	1,090,216.
c	Add lines 4a and 4b	4c	1,090,216.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	177,577,743.

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

1	Total expenses and losses per audited financial statements	1	174,794,331.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	2,749,513.
e	Add lines 2a through 2d	2e	2,749,513.
3	Subtract line 2e from line 1	3	172,044,818.
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	390,286.
c	Add lines 4a and 4b	4c	390,286.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	172,435,104.

**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, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**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 WAS INCLUDED IN AN AUDIT**

**OF THE CONSOLIDATED GROUP KNOWN AS SHEPPARD AND ENOCH PRATT FOUNDATION,**

**INC. AND SUBSIDIARIES. AN AUDIT WAS PERFORMED AND AUDITED FINANCIAL**



**Part XIV** Supplemental Information (continued)

STATEMENTS 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. FOR THE YEAR ENDED JUNE 30, 2010 THERE WAS NO NOTE DISCLOSURE FOR ASC-740 IN THE CONSOLIDATED FINANCIAL STATEMENTS.

## PART XI, LINE 8 - OTHER ADJUSTMENTS:

TRANSFERS FROM AFFILIATES: 2112909.

UNREALIZED LOSS - PENSION LIABILITY: -10998679.

NET ASSETS RELEASED FROM RESTRICTION: -485087.

INTEREST IN NET ASSETS OF FOUNDATION: -95053.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

PHYSICIANS PA OVERHEAD RECOVERY ALLOCATION: 2749513.

BOND ISSUE COSTS: -390286.

## PART XII, LINE 4B - OTHER ADJUSTMENTS:

RESTRICTED CONTRIBUTIONS: 303693.

INVESTMENT INCOME ON TEMPORARILY RESTRICTED ASSETS: 94888.

REALIZED LOSS ON TEMPORARILY RESTRICTED ASSETS: 111635.

GIFT RECEIVED ON BEHALF OF AFFILIATE: 580000.

## PART XIII, LINE 2D - OTHER ADJUSTMENTS:

PHYSICIANS PA OVERHEAD RECOVERY ALLOCATION: 2749513.

## PART XIII, LINE 4B - OTHER ADJUSTMENTS:

BOND ISSUE COSTS: 390286.

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

**2009**

**Open To Public  
Inspection**

Name of the organization

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

**Employer identification number**  
**52-0591684**

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

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

- |  |   |
|--|---|
| <b>a</b> <input type="checkbox"/> Mail solicitations               | <b>e</b> <input type="checkbox"/> Solicitation of non-government grants |
| <b>b</b> <input type="checkbox"/> Internet and email solicitations | <b>f</b> <input type="checkbox"/> Solicitation of government grants     |
| <b>c</b> <input type="checkbox"/> Phone solicitations              | <b>g</b> <input type="checkbox"/> Special fundraising events            |
| <b>d</b> <input type="checkbox"/> In-person solicitations          |   |

**2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  **Yes**  **No**

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

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
<b>Total</b> .....				▶		

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 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))	
		CARE FOR KIDS		NONE		
Revenue		(event type)	(event type)	(total number)		
1	Gross receipts .....	187,148.			187,148.	
2	Less: Charitable contributions .....	162,893.			162,893.	
3	Gross income (line 1 minus line 2) .....	24,255.			24,255.	
Direct Expenses	4	Cash prizes .....				
	5	Noncash prizes .....				
	6	Rent/facility costs .....	11,324.			11,324.
	7	Food and beverages .....				
	8	Entertainment .....				
	9	Other direct expenses .....	55,167.			55,167.
	10	Direct expense summary. Add lines 4 through 9 in column (d) .....				( 66,491 )
11	Net income summary. Combine line 3, column (d), and line 10 .....				-42,236.	

**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	Noncash 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 line 1, column (d), and line 7 .....				

	Yes	No
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? .....	9a	
b If "No," explain: _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? .....	10a	
b If "Yes," explain: _____		
11 Does the organization operate gaming activities with nonmembers? .....	11	
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? .....	12	

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

- a** The organization's facility ..... **13a** %
- b** An outside facility ..... **13b** %

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

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

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

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

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

**16** Gaming manager information:

Name ► \_\_\_\_\_

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

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

- Director/officer       Employee       Independent contractor

**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ..... **17a**
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2009**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
- ▶ **Attach to Form 990.**
- ▶ **See separate instructions.**

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**

	Yes	No
<b>1a</b> Does the organization have a charity care policy? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," is it a written policy?	<input checked="" type="checkbox"/>	
<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 checked="" 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 <i>free</i> 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 checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<b>b</b> Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
<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"?	<input checked="" type="checkbox"/>	
<b>5a</b> Does the organization budget amounts for free or discounted care provided under its charity care policy?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," did the organization's charity care expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
<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?		<input checked="" type="checkbox"/>
<b>6a</b> Does the organization prepare an annual community benefit report?	<input checked="" type="checkbox"/>	
<b>b</b> If "Yes," does the organization make it available to the public?	<input checked="" type="checkbox"/>	

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

<b>7 Charity Care and Certain Other Community Benefits at Cost</b>						
<b>Charity Care and Means-Tested Government Programs</b>	<b>(a)</b> Number of activities or programs (optional)	<b>(b)</b> Persons served (optional)	<b>(c)</b> Total community benefit expense	<b>(d)</b> Direct offsetting revenue	<b>(e)</b> Net community benefit expense	<b>(f)</b> Percent of total expense
<b>a</b> Charity care at cost (from Worksheets 1 and 2)			4161007.		4161007.	2.46%
<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 Total</b> Charity Care and Means-Tested Government Programs			4161007.		4161007.	2.46%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4)			14,568.		14,568.	.01%
<b>f</b> Health professions education (from Worksheet 5)			61,828.		61,828.	.04%
<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)			88,920.		88,920.	.05%
<b>j Total.</b> Other Benefits			165,316.		165,316.	.10%
<b>k Total.</b> Add lines 7d and 7j			4326323.		4326323.	2.56%

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			111,591.		111,591.	.07%
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building			33,433.		33,433.	.02%
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total			145,024.		145,024.	.09%

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

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

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) .....	5	6,929,688.
6 Enter Medicare allowable costs of care relating to payments on line 5 .....	6	8,632,746.
7 Subtract line 6 from line 5. This is the surplus or (shortfall) .....	7	-1,703,058.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

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

**Part IV Management Companies and Joint Ventures**

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

**Part V Facility Information**

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
SHEPPARD PRATT HOSPITAL 6501 N CHARLES STREET TOWSON, MD 21204	X			X					SEE NARRATIVE
SHEPPARD PRATT AT ELLICOTT CITY 4100 COLLEGE AVENUE ELLICOTT CITY, MD 21041	X								SEE NARRATIVE

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7: RATIO OF COST TO CHARGES WAS THE METHODOLOGY USED IN  
CALCULATING ITEMS LISTED IN PART I, LINE 7.

PART I, LINE 7F: THE PORTION OF BAD DEBT EXPENSE INCLUDED ON FORM 990,  
PART IX, LINE 25 AND REMOVED FROM LINE 7 COLUMN F IS \$3,390,455.

PART III, LINE 4: FOOTNOTE IN THE CONSOLIDATED FINANCIAL STATEMENTS  
REGARDING ALLOWANCE FOR BAD DEBT EXPENSE: FOUNDATION'S POLICY IS TO WRITE  
OFF ALL ACCOUNTS THAT HAVE BEEN IDENTIFIED AS UNCOLLECTIBLE. AN ALLOWANCE  
FOR UNCOLLECTIBLES IS RECORDED FOR ACCOUNTS NOT YET WRITTEN OFF THAT ARE  
ANTICIPATED TO BECOME UNCOLLECTIBLE IN FUTURE PERIODS. INSURANCE COVERAGE  
AND CREDIT INFORMATION ARE OBTAINED FROM PATIENTS WHEN AVAILABLE. NO  
COLLATERAL IS OBTAINED FOR ACCOUNTS RECEIVABLE. ACCOUNTS RECEIVABLE FROM  
THIRD-PARTY PAYORS HAVE BEEN ADJUSTED TO REFLECT THE DIFFERENCE BETWEEN  
CHARGES AND THE ESTIMATED REIMBURSABLE AMOUNTS.

PART III, LINE 8: UNDER THE MEDICARE PROSPECTIVE PAYMENT SYSTEM,  
MEDICARE IS PAYING SHEPPARD PRATT LESS THAN ITS COST AS SUPPORTED BY THE  
FINAL FILED FISCAL 2010 COST REPORT. SHEPPARD PRATT TREATS ALL MEDICALLY  
APPROPRIATE MEDICARE PATIENTS AS REQUIRED BY THE CONDITIONS OF  
PARTICIPATION AND EMTALA.



**Part VI** Supplemental Information

PART III, LINE 9B: SHEPPARD PRATT HEALTH SYSTEM'S BAD DEBT AND CHARITABLE WRITE OFF POLICY OUTLINES THE PROCESS BY WHICH THE SYSTEM COLLECTS AND ACTS UPON PATIENT'S FINANCIAL HARDSHIP INFORMATION INCLUDING ACCESS TO SHEPPARD PRATT'S FINANCIAL AID PROCESS AND NOT TRANSFERRING ACCOUNTS TO COLLECTIONS WHEN APPLICABLE. ADDITIONALLY, THE HEALTH SYSTEM DOES NOT CHARGE INTEREST, LATE FEES, OR PENALTIES ON ANY ACCOUNTS AND DOES NOT PERMIT ITS CONTRACTED COLLECTION AGENCIES TO REPORT ACCOUNTS TO CREDIT REPORTING AGENCIES.

PART V: SHEPPARD PRATT OPERATES TWO RESIDENTIAL PROGRAMS (RTC) FOR ADOLESCENTS WITH LONGER TERM TREATMENT NEEDS IN AN OUT-OF-HOME THERAPEUTIC SETTING AND ONE HIGH INTENSITY RESPITE PROGRAM. IN FY 2010, THESE PROGRAMS PROVIDED 43,159 DAYS OF SERVICE. THE MANN RTC AND HIGH INTENSITY RESPITE PROGRAM OPERATE ON THE FLAGSHIP CAMPUS AND PROVIDE A LONG TERM TREATMENT SETTING FOR CHILDREN AND/OR ADOLESCENTS REQUIRING A STRUCTURED THERAPEUTIC SETTING. ADDITIONALLY, A SECOND RESIDENTIAL TREATMENT PROGRAM, THE JEFFERSON RESIDENTIAL TREATMENT PROGRAM AND SCHOOL, OPERATES IN FREDERICK MARYLAND. THE PROGRAMS ENCOMPASS 121 LICENSED RTC BEDS AND 24 RESPITE BEDS.

SHEPPARD PRATT ALSO OPERATES TWELVE SPECIAL EDUCATION SCHOOLS, LOCATED IN SEVEN MARYLAND COUNTIES, SERVING APPROXIMATELY 650 STUDENTS WHOSE EMOTIONAL OR BEHAVIORAL DISABILITIES PREVENT THEM FROM ACCESSING EDUCATION IN THEIR COMMUNITY SCHOOLS. TEN OF THE SCHOOLS EDUCATE MORE THAN 200 STUDENTS WITH AUTISM. AND, TWO OF THE SCHOOLS SERVE 120 MANN OR JEFFERSON RESIDENTIAL STUDENTS. THE ULTIMATE GOAL OF SHEPPARD PRATT'S SCHOOLS IS ALWAYS TO RETURN STUDENTS TO THE COMMUNITY AND SOMETIMES TO THEIR

**Part VI** Supplemental Information

COMMUNITY SCHOOLS. IN FY 2010, 129,698 STUDENT DAYS OF SERVICE WERE PROVIDED WITH 43 STUDENTS GRADUATING. OF THE 43 GRADUATES, 38 STUDENTS RECEIVED FULL MARYLAND HIGH SCHOOL DIPLOMAS AND 5 RECEIVED CERTIFICATES OF COMPLETION.

PART VI, LINE 2: SHEPPARD PRATT ACCOMPLISHES ITS NEEDS ASSESSMENT THROUGH A MULTI-PRONGED EFFORT WITH INPUT FROM THE COMMUNITY, PROFESSIONALS, LOCAL AND NATIONAL ADVOCACY AGENCIES, AND SHEPPARD PRATT'S BOARD OF TRUSTEES.

FIRST, SHEPPARD PRATT'S COMMUNITY ADVISORY COUNCIL PROVIDES A VEHICLE FOR COMMUNITY MEMBERS TO PROVIDE FEEDBACK ON THE HEALTH SYSTEM'S CURRENT AND FUTURE SERVICES. DURING FY2010, THIRTEEN VOLUNTEER COMMUNITY ADVISORY COUNCIL MEMBERS AND THREE HEALTH SYSTEM STAFF PARTICIPATED IN PLANNING, ADVOCACY, AND COMMUNICATION WITH THE HEALTH SYSTEM. THIS GROUP REFLECTS THE CULTURAL, SOCIOECONOMIC AND ETHNIC PROFILE OF THE COMMUNITIES SERVED. COUNCIL MEMBERS MAY BE INDIVIDUALS WHO MAY HAVE BEEN SERVED BY A MENTAL HEALTH PROGRAM, THEY MAY BE MEMBERS OF A MENTAL HEALTH ADVOCACY ORGANIZATION OR MAY LIVE IN NEIGHBORHOODS IN WHICH PROGRAMS ARE LOCATED. THE ADVISORY COUNCIL MEETS ABOUT FIVE TIMES ANNUALLY AND HAS A DIRECT LIAISON THROUGH THE OFFICE OF THE PRESIDENT WITH THE HEALTH SYSTEM EXECUTIVE GROUP AND BOARD OF TRUSTEES SO THAT ARTICULATED COMMUNITY NEEDS CAN BE RELAYED TO THE HEALTH SYSTEM FOR ACTION. ADDITIONALLY, IN REACTION TO THE NEEDS OF THIS ADVISORY COUNCIL AND THE COMMUNITY THEY REPRESENT, THE HEALTH SYSTEM HAS RESTRUCTURED THIS COUNCIL FOR FY2011 ENABLING AN ENHANCED VIEW INTO COMMUNITY NEED.

SECOND, THE HEALTH SYSTEM'S PROFESSIONAL EDUCATION DEPARTMENT ROUTINELY

**Part VI** Supplemental Information

COLLECTS INFORMATION ON EDUCATIONAL NEEDS FROM COMMUNITY PROVIDERS THROUGH PAST CONTINUING EDUCATION SURVEYS AND ON-LINE SURVEYS SUCH AS SURVEYMONKEY. THIS COLLECTIVE DATA IDENTIFIES AND DEFINES AREAS OF KNOWLEDGE, COMPETENCY AND PERFORMANCE GAPS WHERE PROVIDERS CAN MOST BENEFIT FROM COMMUNITY EDUCATION. COMMUNITY EDUCATION PROVIDED BY SHEPPARD PRATT INCLUDES THE WEDNESDAY LECTURE SERIES WHICH IS PROVIDED FREE TO THE COMMUNITY OF MEDICAL AND MENTAL HEALTH PROFESSIONALS. TOPICS ARE DEVELOPED THAT WILL IMPROVE COMMUNITY PROFESSIONAL PRACTICE KNOWLEDGE, ENHANCE THEIR COMPETENCY OR ACTUALLY CHANGE PROFESSIONAL PRACTICE AS IT RELATES TO THE IDENTIFIED TOPIC. ADDITIONALLY, SURVEY DATA AS WELL A PARTICIPANT RESPONSE DURING LECTURE SESSIONS ILLUMINATES AREAS OF EDUCATION OR SERVICE THAT MAY BE LACKING IN THE COMMUNITY.

THIRD, SHEPPARD PRATT'S ADVOCACY WITH LOCAL AND NATIONAL CARE AGENCIES IS ANOTHER METHOD FOR GATHERING INFORMATION REGARDING SERVICES NEEDED FOR OVERLOOKED OR NICHE POPULATIONS SUCH AS ADOLESCENTS SUFFERING FROM AUTISTIC SPECTRUM DISORDERS, RESIDENTIAL OR SCHOOL SERVICES AS WELL AS SERVICES FOR TRANSITION AGE YOUTH.

LASTLY, SHEPPARD PRATT'S VOLUNTEER BOARD OF TRUSTEES PARTICIPATES ANNUALLY IN STRATEGIC PLANNING INITIATIVES AS WELL AS PROGRAM-SPECIFIC PROJECTS. WITH INPUT FROM THE COMMUNITY ADVISORY GROUP, THE PROFESSIONAL EDUCATION SURVEYS, FEEDBACK FROM EXECUTIVE AND MANAGEMENT'S ADVOCACY EFFORTS WITH GOVERNMENT AND COMMUNITY RESOURCES, THE SHEPPARD PRATT BOARD OF TRUSTEES WORKS PURPOSEFULLY WITH EXECUTIVES TO SCULPT THE HEALTH SYSTEM'S SERVICE ARRAY SO THAT MEMBERS OF THE COMMUNITY CAN ACCESS INFORMATION OR TREATMENT THEREBY EXPERIENCING AN IMPROVED QUALITY OF LIFE.

**Part VI** Supplemental Information

PART VI, LINE 3: EACH PATIENT IS PROVIDED WITH A PATIENT HANDBOOK UPON ADMISSION. THE PATIENT HANDBOOK OUTLINES POLICIES, RULES, AND BASIC INFORMATION ABOUT THE HOSPITAL INCLUDING INSTRUCTIONS ON HOW TO ACCESS FINANCIAL ASSISTANCE/CHARITY CARE. SIGNAGE IS ALSO POSTED IN THE ADMISSIONS SUITE IN BOTH PATIENT AND FAMILY WAITING AREAS INFORMING INTERESTED PARTIES THAT FINANCIAL ASSISTANCE IS AVAILABLE. BECAUSE NO TWO PATIENTS HAVE IDENTICAL TREATMENT PROGRAMS OR NEEDS, ALL PATIENTS ARE URGED TO SPEAK WITH THEIR THERAPIST OR OTHER HOSPITAL STAFF TO LEARN MORE ABOUT THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM. ADDITIONALLY, AS PART OF THE PAYMENT POLICY AND ACTION ON PAST DUE ACCOUNTS, SHEPPARD PRATT'S FINANCIAL OFFICE PERSONNEL ALSO ACT AS PATIENT FINANCIAL ADVOCATES AND MAY FORWARD THE FINANCIAL ASSISTANCE PAPERWORK FOR COMPLETION BY ALL RESPONSIBLE PARTIES. FINALLY, PRIOR TO TRANSFER TO A COLLECTION AGENCY, ACCOUNTS MAY BE REVIEWED AGAIN FOR POSSIBLE FINANCIAL ASSISTANCE.

PART VI, LINE 4: 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. EIGHTY-FIVE PERCENT OF SHEPPARD PRATT'S CLIENTS ARE REFERRED FROM THE CENTRAL MARYLAND AREA INCLUDING BALTIMORE CITY AND COUNTY, ANNE ARUNDEL, CARROLL, HARFORD, AND HOWARD COUNTIES WHOSE COMBINED POPULATION ENCOMPASSES 2,623,334 INDIVIDUALS. THIS CENTRAL MARYLAND POPULATION IS 48 PERCENT MALE AND 52 PERCENT FEMALE WITH 64 PERCENT OF RESIDENTS REPORT BEING WHITE, 29 PERCENT REPORT BEING OF AFRICAN AMERICAN ORIGIN, AND 7 PERCENT REPORTED BEING OF ANOTHER RACIAL ORIGIN. MEDIAN AGE BY JURISDICTION RANGED FROM A LOW OF 34.3 YEARS IN BALTIMORE CITY TO A HIGH OF 39.3 YEARS IN CARROLL COUNTY. CENTRAL MARYLAND EXPERIENCES A BROAD RANGE OF ESTIMATED MEDIAN FAMILY INCOME FOR

**Part VI** Supplemental Information

THE 6 JURISDICTIONS WITH A LOW OF \$38,738 IN BALTIMORE CITY AND A HIGH OF \$101,003 IN HOWARD COUNTY. (SOURCE: U. S. CENSUS BUREAU; 2005 TO 2009 AMERICAN COMMUNITY SURVEY.) SHEPPARD PRATT STRIVES TO MEET THE MENTAL HEALTH NEEDS OF THIS DIVERSE COMMUNITY THROUGH THE PROVISION OF COMMUNITY BENEFIT PROGRAMMING AS WELL AS TRADITIONAL TREATMENT MODALITIES SO THAT THE MOST VULNERABLE OF OUR COMMUNITY HAVE ACCESS TO INFORMATION, ACTIVITIES AND/OR TREATMENT.

SEVERAL OTHER GENERAL ACUTE HOSPITALS SERVE THIS SAME COMMUNITY; HOWEVER, SHEPPARD PRATT HEALTH SYSTEM IS THE ONLY PSYCHIATRIC SPECIALTY HEALTH SYSTEM HOSPITAL SERVING THE CENTRAL MARYLAND AREA. A MORE DETAILED DESCRIPTION OF THE DEPTH AND BREADTH OF SERVICES PROVIDED TO THIS POPULATION ARE DESCRIBED IN THE PART VI, LINE 6 NARRATIVE.

PART VI, LINE 5: COMMUNITY SUPPORT: IN ADDITION TO COMMUNITY SUPPORT OFFERED THROUGH SHEPPARD PRATT'S SPEAKERS' BUREAU, ITS WEB SITE AND FREE PSYCHIATRIC LITERATURE, SIX COMMUNITY EVENTS OCCURRED DURING FY 2010 COVERING A WIDE VARIETY OF PERSPECTIVES ON MENTAL HEALTH TOPICS AND ISSUES.

SHEPPARD PRATT HEALTH SYSTEM ATTENDS LOCAL, REGIONAL AND NATIONAL CONFERENCES IN ORDER TO REACH A BROAD SPECTRUM OF THE COMMUNITY WITH GENERAL PSYCHIATRIC EDUCATIONAL LITERATURE. IN FY 2010, SHEPPARD PRATT PROVIDED EDUCATIONAL INFORMATION TO THE COMMUNITY BY ATTENDING 29 CONFERENCES AND THEREBY REACHING OVER 4,000 CONFERENCE ATTENDEES. A SAMPLE CONFERENCE LIST INCLUDED THE MARYLAND MENTAL HEALTH ASSOCIATION TOWN FAIR, THE PSYCHOTHERAPY NETWORKER CONFERENCE, THE SENIOR EXPO, THE SUICIDE PREVENTION CONFERENCE AND THE BRAIN INJURY ASSOCIATION.

**Part VI** Supplemental Information

IN FY 2010, SHEPPARD PRATT'S SPEAKERS BUREAU ARRANGED TEN MENTAL HEALTH-RELATED PRESENTATIONS TO INTERESTED GROUPS THROUGHOUT THE COMMUNITY; CONSERVATIVELY ESTIMATED, APPROXIMATELY 150 PEOPLE WERE ABLE TO ACCESS FREE MENTAL HEALTH INFORMATION AND EDUCATION THROUGH THESE PRESENTATIONS.

SHEPPARD PRATT'S WEB SITE RECEIVED 655,000 VISITORS IN FY 2010; VISITORS HAVE FREE ACCESS TO MENTAL HEALTH ARTICLES AND LINKS TO OTHER GENERAL, NON-PROFIT MENTAL HEALTH RESOURCES. A PORTION OF THE WEB SITE IS ALSO DEVOTED PUBLICIZING THE ART (THE COLLECTION) AND HISTORY (THE GIBSON MUSEUM) INSTALLATIONS AT THE HEALTH SYSTEM'S MAIN CAMPUS WHICH ARE DESIGNED TO REDUCE THE STIGMA OF MENTAL ILLNESS. THE GIBSON MUSEUM TELLS THE STORY OF THE EVOLUTION OF SHEPPARD PRATT AS ONE OF AMERICA'S FOREMOST PRIVATE PSYCHIATRY HOSPITALS. THE COLLECTION OF SHEPPARD PRATT IS COMPRISED OF THE WORKS OF NEARLY 100 PROFESSIONALLY TRAINED ARTISTS WHOSE LIFE EXPERIENCES HAVE BEEN IMPACTED BY MENTAL ILLNESS OR ADDICTIONS. THE MUSEUM IS OPEN TO THE PUBLIC TUESDAYS FROM 9:30 A.M. UNTIL 1 P.M. AND OTHER TIMES BY APPOINTMENT; THE COLLECTION IS DISPLAYED THROUGHOUT THE PUBLIC AREAS OF THE MAIN CAMPUS WITH A SELF GUIDED PROGRAM AVAILABLE. WEB SITE VISITORS MAY ALSO VIEW THE ARTISTS' WORKS ON LINE.

FREE MENTAL HEALTH EDUCATION LITERATURE IS AVAILABLE THROUGH BOTH ELECTRONIC WEB SITE AND PERSONAL REQUESTS. IN FY 2010, APPROXIMATELY 2,500 REQUESTS WERE FULFILLED. A SAMPLE OF TOPICS INCLUDES: "A PARENT'S GUIDE TO CHILDHOOD AND ADOLESCENCE", "AGING MATTERS: A GUIDE FOR OLDER ADULTS AND THEIR CHILDREN"; "FEELINGS AFTER BIRTH: POSTPARTUM ADJUSTMENT"; AND, "HELP AND HOPE: WHEN BAD THINGS HAPPEN" (A GUIDE TO COPING WITH

**Part VI Supplemental Information**

INCIDENTS OF DISASTER AND TERRORISM).

A TOTAL OF SIX FREE COMMUNITY EDUCATIONAL EVENTS WERE HELD IN FY 2010.

-ANNUAL OPEN FORUM IN OCTOBER 2009: DRS. JACQUELINE OLDS AND RICHARD SCHWARTZ PROVIDED A DETAILED VIEW OF SOCIAL ISOLATIONISM IN OUR SOCIETY.

-GOODBYE ED; HELLO ME IN OCTOBER 2009: AUTHOR AND INSPIRATIONAL SPEAKER JENNI SCHAEFER SPOKE TO THE COMMUNITY REGARDING LIFE AFTER RECOVERY FROM AN EATING DISORDER.

-MENTAL HEALTH COMMUNITY FORUM IN DECEMBER 2010: SECRETARY KATHLEEN SEBELIUS ADDRESSED MEMBERS OF THE COMMUNITY ABOUT IMPENDING HEALTH REFORM AND THE IMPACT ON MENTAL HEALTH CARE DELIVERY AND FINANCING.

-PROMOTING SELF ESTEEM AND POSITIVE BODY IMAGE IN JANUARY 2010: SHEPPARD PRATT IN COLLABORATION WITH JEWISH COMMUNITY SERVICES AND HADASSAH PROVIDED THE OPPORTUNITY FOR THE COMMUNITY TO JOIN A DAY OF FREE DISCUSSION GROUPS AND INTERACTIVE WORKSHOPS FOCUSING ON POSITIVE RELATIONSHIPS WITH FOOD, HEALTHY LIVING, AND SELF ESTEEM.

-NATIONAL EATING DISORDERS AWARENESS WEEK IN FEBRUARY 2010: ROSALIND WISEMAN SPOKE TO INTERESTED COMMUNITY MEMBERS ON POSITIVE PARENTING FOR A HEALTHY SELF IMAGE

-LIVING TOBACCO FREE IN APRIL 2010: PATRICK REYNOLDS, GRANDSON OF TOBACCO MAGNATE RJ REYNOLDS AND AN OUTSPOKEN CRITIC OF SMOKING PRESENTED TO A LARGE COMMUNITY GATHERING REGARDING THE VALUE OF SMOKING CESSATION FOR ONE'S PERSONAL HEALTH AS WELL AS THE GENERAL PHYSICAL AND FINANCIAL HEALTH OF OUR COMMUNITY.

SHEPPARD PRATT'S TELEBEHAVIORAL SERVICES PROGRAM PROVIDES DISTANCE PROFESSIONAL EDUCATION AND REAL-TIME TELEPSYCHIATRY SERVICES. IN FY 2010, APPROXIMATELY 186 CLIENTS RECEIVED THEIR PSYCHIATRIC CONSULTATION

**Part VI Supplemental Information**

AND MEDICATION MANAGEMENT SERVICES THROUGH THIS MEDIUM. ADDITIONALLY, AS PART OF SHEPPARD PRATT'S COMPLEMENTARY FY 2010 PROFESSIONAL EDUCATION, WEDNESDAY LECTURE SERIES, 816 NON-STAFF CLINICAL PROFESSIONALS IN RURAL AREAS ACCESSED THESE FREE CME SESSIONS THROUGH THIS SAME VIDEOCONFERENCING MEDIUM.

## COALITION BUILDING

CORPORATE VOLUNTEERISM IS A CRITICAL VALUE AT SHEPPARD PRATT AND ALLOWS FOR COALITION BUILDING OPPORTUNITIES. SHEPPARD PRATT LEVERAGES ITS COALITION RELATIONSHIPS TO SHARE ITS KNOWLEDGE AND EXPERIENCE WITH OTHER, SMALLER NON-PROFIT ORGANIZATIONS. BOTH EXECUTIVE AND MANAGEMENT STAFF PARTICIPATE ON VARIOUS COMMUNITY BOARDS WHOSE MISSIONS ARE DEDICATED TO IMPROVING QUALITY OF LIFE FOR ALL THEY SERVE. WHILE IN SERVICE TO LOCAL AND NATIONAL NON-PROFIT ORGANIZATIONS, SHEPPARD PRATT STAFF ALSO HAVE THE OPPORTUNITY TO GATHER IMPORTANT NEEDS ASSESSMENT DATA CRITICAL TO THE DEVELOPMENT OF COMMUNITY BENEFIT PROGRAMMING.

PART VI, LINE 6: SHEPPARD PRATT HEALTH SYSTEM CONTINUES ITS COMMITMENT TO THE FOUNDERS' CHARTER TO "CARRY FORWARD, AND IMPROVE, THE AMELIORATED SYSTEM OF TREATMENT OF THE INSANE WITH THOUGHTFUL, PROACTIVE SERVICES." SINCE ITS INCEPTION, SHEPPARD PRATT HAS EVOLVED ITS SERVICES BEYOND THE TRADITIONAL INPATIENT OR OUTPATIENT BOUNDARIES TO PROVIDE A POSITIVE IMPACT ON THOUSANDS OF INDIVIDUALS, THEIR FAMILIES AND COMMUNITIES BY PROVIDING ACCESS TO A CREATIVE MIX OF COMMUNITY BENEFIT-DRIVEN BEHAVIORAL SERVICES WITH SUPPORT WHEN, WHERE, AND IN WHATEVER FORM IS BEST SUITED TO THOSE IN NEED. IN FY 2010, SHEPPARD PRATT WAS AGAIN RECOGNIZED BY U.S. NEWS AND WORLD REPORT AS ONE OF THE NATION'S TOP TEN HOSPITALS FOR PSYCHIATRIC CARE.



**Part VI** Supplemental Information

IN FY 2010, SHEPPARD PRATT PROVIDED SERVICE FOR 8,397 INPATIENT ADMISSIONS RESULTING IN SERVICE TO 93,644 INPATIENT DAYS, 74,350 OUTPATIENT AND DAY HOSPITAL VISITS, 43,159 RTC/RESPITE DAYS, AND 129,698 STUDENT DAYS. SIXTY PERCENT OF INPATIENT SERVICES WERE PROVIDED TO MEDICARE OR MEDICAID RECIPIENTS. WHILE A MAJORITY OF PATIENTS WERE DRAWN FROM CENTRAL MARYLAND, SHEPPARD PRATT'S DIVERSE PROGRAMMING ALSO ATTRACTS PATIENTS NATIONALLY.

SHEPPARD PRATT'S FLAGSHIP CAMPUS IS LOCATED AT 6501 NORTH CHARLES STREET, BALTIMORE, MD. AS THE FOUNDING LOCATION OF THE SYSTEM, A MAJORITY OF SERVICES ARE PROVIDED FROM THIS CAMPUS; SERVICES INCLUDE INPATIENT, PARTIAL DAY HOSPITALIZATION, INTENSIVE OUTPATIENT, ELECTRO-CONVULSIVE THERAPY (ECT), CRISIS EVALUATION, RESIDENTIAL TREATMENT AND RESPITE CENTERS, AS WELL AS PHYSICIAN OUTPATIENT APPOINTMENTS. A SECOND INPATIENT CAMPUS, SHEPPARD PRATT AT ELLICOTT CITY, IS LOCATED AT 4100 COLLEGE AVENUE, IN ELLICOTT CITY, MARYLAND AND PROVIDES BOTH INPATIENT AND PARTIAL DAY HOSPITAL SERVICES.

THE TWO INPATIENT HOSPITAL PROGRAMS OPERATE A TOTAL OF 300 BEDS. INPATIENT SERVICES INCLUDE UNITS SPECIFIED DESIGNED FOR CHILDREN, ADOLESCENTS, YOUNGSTERS WITH CO-OCCURRING MENTAL ILLNESS AND DEVELOPMENTAL DISABILITIES, YOUNG ADULTS, GERIATRICS, ADULTS, AS WELL AS SUBSPECIALTY ADULT PROGRAMS FOR CO-OCCURRING SUBSTANCE ABUSE AND MENTAL ILLNESS, PSYCHOTIC DISORDERS, DEVELOPMENTAL DISORDERS, TRAUMA DISORDERS AND EATING DISORDERS (FOR ADULTS AND ADOLESCENTS).

SHEPPARD PRATT'S VOLUNTEER BOARD OF TRUSTEES IS CHARGED WITH GOVERNING THE

**Part VI Supplemental Information**

HEALTH SYSTEM; TRUSTEES SERVE ON THE HEALTH SYSTEM'S FOUNDATION BOARD PROVIDING A BREADTH AND DEPTH OF COMMUNITY REPRESENTATION, WISDOM AND EXPERIENCE THEREBY INSURING THAT SHEPPARD PRATT CONTINUES TO PROVIDE A BENEFIT TO THE PUBLIC AS OUTLINED BY ITS FOUNDERS. A TOTAL OF 34 TRUSTEES (27 MEMBERS AND 7 OFFICERS) PROVIDE THIS OVERSIGHT ATTENDING 6 STANDARD MEETINGS ANNUALLY, AND BY PARTICIPATING ON SEVERAL OF 13 COMMITTEES. COMMITTEES MEET ON A VARIED SCHEDULE RANGING FROM SIX TIMES ANNUALLY TO TWICE PER YEAR. ADDITIONALLY, SELECT BOARD COMMITTEES PROVIDE NEEDS ASSESSMENT DATA TO FURTHER GUIDE THE HEALTH SYSTEM IN DEVELOPING ITS SERVICE AND COMMUNITY BENEFIT PROGRAMMING.

AS PART OF ITS CONTINUED COMMITMENT TO THE COMMUNITY, SHEPPARD PRATT WORKS TO REDUCE THE STIGMA OF MENTAL ILLNESS THEREBY EASING THE PATH TO TREATMENT FOR MANY. IN ADDITION TO THE COLLECTION AT SHEPPARD PRATT AND THE GIBSON MUSEUM AVAILABLE FOR VIEWING ON LINE AS WELL AS IN PERSON, SHEPPARD PRATT ALSO MAINTAINS THE EVOLUTION OF TREATMENT HALLWAY WHICH WORKS TO PROVIDE THE PUBLIC WITH A VIEW OF THE HISTORICAL BACKGROUND OF PSYCHIATRIC TREATMENT AND HOPE FOR THE FUTURE.

IN FY 2010, SHEPPARD PRATT CONTINUED TO SERVE AS A TRAINING RESOURCE FOR POSITIVE BEHAVIORAL INTERVENTIONS AND SUPPORTS (PBIS), A GRANT-FUNDED PROGRAM PROVIDED IN PARTNERSHIP WITH THE MARYLAND DEPARTMENT OF EDUCATION AND JOHNS HOPKINS UNIVERSITY'S CENTER FOR PREVENTION OF YOUTH VIOLENCE. SHEPPARD PRATT TRAINS EDUCATORS IN PBIS WHICH ENHANCES THE CAPACITY OF SCHOOLS TO EDUCATE CHILDREN IN A SAFER AND MORE EFFECTIVE ENVIRONMENT. INSTITUTES AND SPECIAL TEAMS WERE ALSO PROVIDED WITH PBIS TRAINING, WHICH DEVELOPS RESEARCH-BASED, SCHOOL WIDE AND CLASSROOM DISCIPLINE SYSTEMS. IN FY 2010, 20 TRAININGS WERE PROVIDED TO EDUCATORS AROUND THE COUNTRY TO

**Part VI** Supplemental Information

NEARLY 100 SCHOOL PERSONNEL. TO DATE IN FY 2010, 817 SCHOOLS HAVE COMPLETED PBIS TRAINING.

THE MOBILE CRISIS TEAM IS OPERATED BY SHEPPARD PRATT HEALTH SYSTEM TO RESPOND TO MENTAL HEALTH EMERGENCIES IN HARFORD COUNTY AT LOCATIONS OF OCCURRENCE, SUCH AS HOMES, WORK, SCHOOLS, AND EMERGENCY ROOMS. THE PROGRAM AVERTS UNNECESSARY VISITS TO HOSPITAL EMERGENCY ROOMS AND SUBSEQUENT HOSPITALIZATION OF PERSONS EXPERIENCING MENTAL HEALTH CRISES. TEAMS OF SPECIALLY-TRAINED MENTAL HEALTH CLINICIANS PROVIDE ON-SITE ASSESSMENTS AND CRISIS STABILIZATION THROUGH THERAPEUTIC INTERVENTIONS. THE PROGRAM ALSO PROVIDES ACCESS TO MORE APPROPRIATE, EFFECTIVE AND ECONOMICAL CARE IN THE COMMUNITY UTILIZING OTHER RESOURCES SUCH AS OUTPATIENT COUNSELING AND REHABILITATIVE SERVICES. SERVICES ARE OFTEN CONSUMED BY INDIVIDUALS UNWILLING OR UNABLE TO SEEK OUTPATIENT SERVICES AS WELL AS TO LAW ENFORCEMENT OFFICERS AS THEY ENCOUNTER PSYCHIATRIC EMERGENCIES. IN FY 2010, THE PROGRAM SERVED 4,534 INDIVIDUALS AS WELL AS PROVIDING 5 PUBLIC EDUCATION SESSIONS AND 24 DISASTER ASSISTANCE RESPONSES.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

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> <p> <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>		
<p><b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....</p>	X	
<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>	X	
<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> <p> <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>		
<p><b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p><b>a</b> Receive a severance payment or change-of-control payment? .....</p>	X	
<p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....</p>	X	
<p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....</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>		X
<p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</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? .....</p>		X
<p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>		X
<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? .....</p>		X
<p><b>b</b> Any related organization? .....</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>		X
<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 .....</p>		X
<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 .....</p>		X
<p><b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....</p>		

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

Schedule J (Form 990) 2009

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
STEVEN S. SHARFSTEIN, M.D.	(i)	617,944.	0.	120,061.	64,722.	8,840.	811,567.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
PATRICIA PINKERTON	(i)	358,283.	0.	3,016.	47,750.	14,590.	423,639.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
BONNIE KATZ	(i)	210,654.	0.	6,135.	38,442.	12,888.	268,119.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES TRUSCELLO	(i)	147,833.	0.	6,785.	34,570.	10,633.	199,821.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
M. THOMAS GRAHAM	(i)	151,206.	0.	2,095.	7,800.	5,977.	167,078.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
STEVEN E. TUTTLE	(i)	149,269.	0.	1,488.	8,000.	19,047.	177,804.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ERNESTINE COSBY	(i)	142,924.	0.	1,964.	34,553.	6,755.	186,196.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
J. KENNETH WALTERS	(i)	140,187.	0.	2,095.	26,063.	15,128.	183,473.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
AVERY DOVER	(i)	137,754.	0.	2,263.	24,077.	7,242.	171,336.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
THOMAS HESS	(i)	137,025.	0.	1,661.	35,858.	1,644.	176,188.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
PAUL D. LIVELLI	(i)	137,737.	0.	772.	3,513.	8,168.	150,190.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DIANA RAMSAY	(i)	404,972.	0.	207,064.	7,561.	10,327.	629,924.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

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

PART I, LINE 4A: DIANA RAMSAY SEVERANCE OF \$99,511.

LINE 4B: THE ORGANIZATION IMPLEMENTED A 457(F) RETIREMENT PLAN DURING THE YEAR. PATRICIA PINKERTON WAS A PARTICIPANT IN THIS PLAN. THE PLAN WAS NOT FUNDED IN CALENDAR YEAR 2009.

DIANA RAMSAY WAS ALSO A PARTICIPANT IN THE PLAN AND WAS PAID OUT HER VESTED PORTION OF \$10,417.

**SCHEDULE J-2**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Continuation Sheet for Form 990**

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the Organization

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

Employer Identification number

**52-0591684**

**Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

(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			
STEVEN S. SHARFSTEIN, M.D. PRESIDENT & CEO	40.00			X				738,005.	0.	73,562.
PATRICIA PINKERTON SECRETARY/TREASURER	40.00			X				361,299.	0.	62,340.
STEPHANIE PROVENZA ASST SECRETARY	40.00			X				57,034.	0.	4,935.
BONNIE KATZ VP CORP DEVELOPMENT	40.00				X			216,789.	0.	51,330.
JAMES TRUSCELLO DIR DAY SCHOOL PROGRAMS	40.00				X			154,618.	0.	45,203.
M. THOMAS GRAHAM DIR MANN RES PROGRAM	40.00				X			153,301.	0.	13,777.
STEVEN E. TUTTLE VP OF PHILANTHROPY	40.00				X			150,757.	0.	27,047.
ERNESTINE COSBY VP & CHIEF NURSING OFFICER	40.00					X		144,888.	0.	41,308.
J. KENNETH WALTERS DIR OF PHARMACY	40.00					X		142,282.	0.	41,191.
AVERY DOVER DIR OF FINANCE	40.00					X		140,017.	0.	31,319.
THOMAS HESS SPECIAL ASSISTANT TO PRESIDENT	40.00					X		138,686.	0.	37,502.
PAUL D. LIVELLI FORMER DIR AUTISM EDU PRO	40.00						X	138,509.	0.	11,681.
DIANA RAMSAY FORMER EXECUTIVE VP & COO	40.00						X	612,036.	0.	17,888.

**Supplemental Information on Tax-Exempt Bonds**  
▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).  
▶ Attach to Form 990. See separate instructions.

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

**Part I Bond Issues** 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
<b>A</b>	MD HEALTH & HIGHER EDUCATIONAL FACILITIES	52-0936091	574217KL8	05/29/03	45590000	CONSTRUCT NEW HSPTL, RENOVATE EXISTING		X		X
<b>B</b>	MD HEALTH & HIGHER EDUCATIONAL FACILITIES	52-0936091	574217KM6	05/29/03	45550000	CONSTRUCT NEW HSPTL, RENOVATE EXISTING		X		X
<b>C</b>	MD HEALTH & HIGHER EDUCATIONAL FACILITIES	52-0936091	NONE	12/01/09	22597549	PURCHASE OF SCHOOL BUILDING AND PROPER		X		X
<b>D</b>										
<b>E</b>										

**Part II Proceeds**

	A	B	C	D	E
<b>1</b> Total proceeds of issue .....	46,205,991.	45,550,000.	22,597,594.		
<b>2</b> Gross proceeds in reserve funds .....	3,725,513.	2,088,418.			
<b>3</b> Proceeds in refunding or defeasance escrows .....					
<b>4</b> Other unspent proceeds .....					
<b>5</b> Issuance costs from proceeds .....	518,250.	2,109,005.			
<b>6</b> Working capital expenditures from proceeds .....					
<b>7</b> Capital expenditures from proceeds .....	41,962,228.	17,899,230.	22,597,594.		
<b>8</b> Year of substantial completion .....	2005	2005	2010		
	Yes	No	Yes	No	Yes
<b>9</b> Were the bonds issued as part of a current refunding issue? ...	X		X		X
<b>10</b> Were the bonds issued as part of an advance refunding issue? .....		X	X		X
<b>11</b> Has the final allocation of proceeds been made? .....	X		X	X	
<b>12</b> Does the organization maintain adequate books and records to support the final allocation of proceeds? .....	X		X	X	

**Part III Private Business Use**

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



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

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use? .....		X		X		X				
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use? ...		X		X		X				
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property? .....	X		X		X					
<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 .....	1.00 %		1.00 %		.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 %		.00 %					
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities? .....	X		X		X					

**Part IV Arbitrage**

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

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

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

**2009**

**Open To Public Inspection**

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

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

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

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

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

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

**Part II Loans to and/or From Interested Persons.**

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

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

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
HEARN BURKLEY	TIMOTHY HEARN HAS A	350,000.	HEARN-BURKL		X

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule L (Form 990 or 990-EZ) 2009

SEE SCHEDULE O FOR SCHEDULE L CONTINUATIONS

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2009**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

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 .....	X	4	394.	FAIR MARKET VALUE
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	3	5,055.	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 ▶ ( <u>DONATIONS FOR</u> )	X	47	32,532.	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? .....		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? .....	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) 2009

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

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. THE PREAMBLE WAS REVISED TO MORE ACCURATELY REFLECT THE MISSION OF THE  
HEALTH SYSTEM, AND TO MAKE EXPRESS REFERENCE TO SHEPPARD & ENOCH PRATT  
FOUNDATION'S SOLE MEMBERSHIP ROLE WITH RESPECT TO THE HEALTH SYSTEM.

2. A SECTION NOW PROVIDES CLARIFICATION THAT SHEPPARD & ENOCH PRATT  
FOUNDATION ELECTS HEALTH SYSTEM TRUSTEES.

3. THE PROHIBITION OF TRUSTEE SERVICE BEYOND AGE 75 IS ABOLISHED. THE  
ANTI-DISCRIMINATION PROVISION IS EXPANDED BY INCLUDING ADDITIONAL  
CATEGORIES.

4. A SECTION WAS CORRECTED TO PROVIDE THAT THE FOUNDATION FILLS HEALTH  
SYSTEM BOARD VACANCIES.

5. A SECTION WAS UPDATED TO ALIGN MEETING REQUIREMENTS WITH CURRENT  
PRACTICES.

6. THE NUMBER OF TRUSTEES NEEDED TO CALL FOR A SPECIAL MEETING WAS  
INCREASED FROM TWO TO THREE, AND TRUSTEE REQUESTS FOR SPECIAL MEETINGS NOW  
GO TO THE CHAIRPERSON RATHER THAN THE SECRETARY.

7. A NEW SECTION WAS ADDED RELATED TO PARTICIPATION BY ELECTRONIC MEANS TO  
REFLECT MODERN PRACTICE AND IS DERIVED FROM THE MARYLAND CODE.

8. A FORMER SECTION WAS AMENDED SO AS TO ELIMINATE POSSIBLE CONFUSION OVER  
WHEN A VOTE IS REQUIRED OR NOT REQUIRED. PROXY VOTING IS NOT PERMITTED.

9. A NEW SECTION CONFIRMS THAT REMOVAL OF A HEALTH SYSTEM TRUSTEE IS A

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

Schedule O (Form 990) 2009

932211  
02-03-10

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
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OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

POWER EXERCISABLE ONLY BY SHEPPARD & ENOCH PRATT FOUNDATION.

10. THE CATEGORY OF THE PRESIDENT, SECRETARY AND TREASURER WAS CHANGED FROM  
"EXECUTIVE OFFICERS" TO "ELECTIVE OFFICERS".

11. A SECTION IS RENUMBERED AND AMENDED TO RESTRICT TO SHEPPARD & ENOCH  
PRATT FOUNDATION THE POWER TO REMOVE THE PRESIDENT. THE TRUSTEES RETAIN  
POWER TO REMOVE ANY OTHER OFFICER BUT RECOGNIZES THE CONCURRENT POWER OF  
THE PRESIDENT TO REMOVE ANY APPOINTIVE OFFICER.

12. THE SECTION DEALING WITH INDEMNIFICATION WAS MODIFIED SO THAT TRUSTEES,  
ASSOCIATE TRUSTEES AND OFFICERS ARE INDEMNIFIED TO THE FULLEST EXTENT  
REQUIRED OR PERMITTED BY MARYLAND LAW.

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  
TRANSACTIONS OF ITS SUBSIDIARIES.

FORM 990, PART VI, SECTION B, LINE 11: THE FINANCE COMMITTEE OF THE BOARD  
OF TRUSTEES WILL REVIEW AND APPROVE THE 990. THE FINANCE COMMITTEE WILL  
THEN PRESENT THE 990 TO THE BOARD OF TRUSTEES AND RECOMMEND THEIR APPROVAL.  
FOLLOWING BOARD APPROVAL, THE 990 WILL BE FILED.

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

Schedule O (Form 990) 2009

932211  
02-03-10

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

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 COMPENSATION COMMITTEE FOR APPROVAL. THE EXECUTIVE COMPENSATION COMMITTEE REPORTS THAT COMPENSATION WAS APPROVED TO THE FULL BOARD.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION POSTS ITS FINANCIAL STATEMENTS QUARTERLY ON THE DAC WEBSITE. FINANCIAL STATEMENTS AND OTHER POLICIES ARE AVAILABLE UPON REQUEST.

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

SHEPPARD PRATT HEALTH SYSTEM, INC.

Employer identification number

52-0591684

990 PART XI, 2C

THIS PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

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

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

(F) DESCRIPTION OF PURPOSE:

PURCHASE OF SCHOOL BUILDING AND PROPERTY FOR NEW HOSPITAL

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

(A) NAME OF PERSON: HEARN BURKLEY

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

TIMOTHY HEARN HAS AN OWNERSHIP INTEREST IN HEARN-BURKLEY

(C) AMOUNT OF TRANSACTION \$ 350000.

(D) DESCRIPTION OF TRANSACTION: HEARN-BURKLEY RECIEVED A COMMISSION ON  
THE SALE OF LAND.

(E) SHARING OF ORGANIZATION REVENUES? = NO

**Related Organizations and Unrelated Partnerships**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

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

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
SHEPPARD & ENOCH PRATT FOUNDATION - 52-1357109, PO BOX 6815, BALTIMORE, MD 21285	CONDUCT FUNDRAISING ACTIVITIES TO SUPPORT AFFILIATED ORGANIZATIONS	MARYLAND	501(C)(3)	7	
SHEPPARD PRATT PHYSICIANS PA, INC. - 52-1392214, PO BOX 6815, BALTIMORE, MD 21285	PROVIDE HEALTH CARE TO PATIENTS & RESIDENCY TRAINING TO MEDICAL	MARYLAND	501(C)(3)	9	SHEPPARD & ENOCH PRATT FOUNDATION
SHEPPARD PRATT INVESTMENT, INC. - 52-1388935 PO BOX 6815 BALTIMORE, MD 21285	HOLD AND MANAGE ENDOWMENT FUNDS OF RELATED NONPROFIT ENTITIES	MARYLAND	501(C)(3)	11A	SHEPPARD & ENOCH PRATT FOUNDATION
MOSAIC COMMUNITY SERVICES, INC. - 52-1388141 1925 GREENSPRING DRIVE TIMONIUM, MD 21093	PROVIDES COMMUNITY BASED THERAPEUTIC RESIDENTIAL, REHABILITATIVE SUPPORT	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION



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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
SHEPPARD PRATT PREFERRED RESOURCES, INC. - 52-1757742 6501 N CHARLES STREET TOWSON, MD 21285	INACTIVE	MD	N/A	C CORP	N/A	N/A	N/A
ATLANTIC RECYCLED PAPER COMPANY, INC. - 52-1737872 1925 GREENSPRING AVE TIMONIUM, MD 21093	INACTIVE	MD	N/A	C CORP	N/A	N/A	N/A

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

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

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

	Yes	No
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to other organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from other organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for other organization(s) .....	X	
<b>e</b> Loans or loan guarantees by other organization(s) .....		X
<b>f</b> Sale of assets to other organization(s) .....		X
<b>g</b> Purchase of assets from other organization(s) .....		X
<b>h</b> Exchange of assets .....		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s) .....	X	
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s) .....	X	
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s) .....	X	
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets .....	X	
<b>n</b> Sharing of paid employees .....		X
<b>o</b> Reimbursement paid to other organization for expenses .....		X
<b>p</b> Reimbursement paid by other organization for expenses .....	X	
<b>q</b> Other transfer of cash or property to other organization(s) .....	X	
<b>r</b> Other transfer of cash or property from other organization(s) .....		X

**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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of- year assets	(f) Dispropor- tionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
WAY STATION, INC. - 52-1162749 PO BOX 3826 FREDERICK, MD 21705	PROVIDES REHABILITATIVE AND TREATMENT SERVICES	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION
FAMILY SERVICES, INC. - 52-0730225 610 EAST DIAMOND AVE GAITHERSBURG, MD 20877	FOSTER STRONG & HEALTHY INDIVIDUALS AND FAMILIES THROUGH EDUCATION	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION
BEHAVIORAL HEALTH PARTNERS OF FREDERICK, INC. - 52-2125435, PO BOX 6815, BALTIMORE, MD 21285	OUTPATIENT BEHAVIORAL HEALTH CARE SERVICES	MARYLAND	501(C)(3)	3	SHEPPARD & ENOCH PRATT FOUNDATION
REVISIONS COMMUNITY DEVELOPMENT ORG, ING. - 52-1849336, 1925 GREENSPRING DRIVE, TIMONIUM, MD 21093	PROVIDE AFFORDABLE HOUSING TO CHRONICALLY MENTALLY DISABLED	MARYLAND	501(C)(3)	9	MOSAIC COMMUNITY SERVICES, INC.
NORTH BALTIMORE CENTER, INC. - 52-0900071 2225 NORTH CHARLES STREET BALTIMORE, MD 21218	COMMUNITY HEALTH FACILITY PROVIDING OUTPATIENT SERVICES	MARYLAND	501(C)(3)	3	MOSAIC COMMUNITY SERVICES, INC.
DULANEY STATION COMMUNITY HOUSING DEVELOPMENT ORGANIZATION, INC. - 02-065028, 1925 GREENSPRING DRIVE, TIMONIUM, MD 21093	CREATE UNITS OF DECENT, AFFORDABLE HOUSING FOR LOW-INCOME ADULTS	MARYLAND	501(C)(3)	9	MOSAIC COMMUNITY SERVICES, INC.
TURNING POINT OF WASHINGTON COUNTY, INC - 52-1190659, 25 E NORTH AVE, HAGERSTOWN, MD 21740	PROVIDE EDUCATIONAL, VOCATIONAL, SOCIAL, RESIDENTIAL SUPPORT	MARYLAND	501(C)(3)	7	SHEPPARD & ENOCH PRATT FOUNDATION

# TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

..... June 30, 2010 .....

<b>Prepared for</b>	Sheppard Pratt Health System, Inc. P.O. Box 6815 Baltimore, MD 21285
<b>Prepared by</b>	SC&H Tax & Advisory Services, LLC 910 Ridgebrook Road Sparks, MD 21152
<b>Amount due or refund</b>	No amount is due.
<b>Make check payable to</b>	No amount is due.
<b>Mail tax return and check (if applicable) to</b>	Department of the Treasury Internal Revenue Service Center Ogden, UT 84201-0027
<b>Return must be mailed on or before</b>	May 16, 2011
<b>Special Instructions</b>	The return should be signed and dated.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2009

Department of the Treasury Internal Revenue Service (77)

For calendar year 2009 or other tax year beginning JUL 1, 2009, and ending JUN 30, 2010

Open to Public Inspection for 501(c)(3) Organizations Only

Form 990-T header section containing organization name (SHEPPARD PRATT HEALTH SYSTEM, INC.), address (P.O. BOX 6815, BALTIMORE, MD 21285), and exemption details.

H Describe the organization's primary unrelated business activity. RENTAL OF PERSONAL PROPERTY AND FOOD SERVICE

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? SEE STATEMENT 1

J The books are in care of AVERY DOVER Telephone number (410) 938-3337

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows 1a-13 showing total income of 560,008 and expenses of 837,699.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

Table with 4 columns: Line number, Description, Sub-column, Total. Rows 14-34 showing various deductions and resulting net income of -277,691.

**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: <b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ <b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ <b>c</b> Income tax on the amount on line 34	<b>35c</b>	0.
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	<b>36</b>	
<b>37 Proxy tax.</b> See instructions	<b>37</b>	
<b>38 Alternative minimum tax</b>	<b>38</b>	
<b>39 Total.</b> Add lines 37 and 38 to line 35c or 36, whichever applies	<b>39</b>	0.

**Part IV Tax and Payments**

<b>40a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	<b>40a</b>	
<b>b</b> Other credits (see instructions)	<b>40b</b>	
<b>c</b> General business credit. Attach Form 3800	<b>40c</b>	
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827)	<b>40d</b>	
<b>e Total credits.</b> Add lines 40a through 40d	<b>40e</b>	
<b>41</b> Subtract line 40e from line 39	<b>41</b>	0.
<b>42</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	<b>42</b>	
<b>43 Total tax.</b> Add lines 41 and 42	<b>43</b>	0.
<b>44a</b> Payments: A 2008 overpayment credited to 2009	<b>44a</b>	
<b>b</b> 2009 estimated tax payments	<b>44b</b>	
<b>c</b> Tax deposited with Form 8868	<b>44c</b>	
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions)	<b>44d</b>	
<b>e</b> Backup withholding (see instructions)	<b>44e</b>	
<b>f</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	<b>44f</b>	
<b>45 Total payments.</b> Add lines 44a through 44f	<b>45</b>	
<b>46</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>46</b>	
<b>47 Tax due.</b> If line 45 is less than the total of lines 43 and 46, enter amount owed	<b>47</b>	0.
<b>48 Overpayment.</b> If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	<b>48</b>	0.
<b>49</b> Enter the amount of line 48 you want: <b>Credited to 2010 estimated tax</b> <b>Refunded</b>	<b>49</b>	

**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 17)

<b>1</b> At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
		X
<b>2</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
<b>3</b> Enter the amount of tax-exempt interest received or accrued during the tax year \$		

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

N/A

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

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

<b>Sign Here</b>	Signature of officer _____ Date _____		CFO _____ Title _____		May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Preparer's signature <b>LORI S. BURGHAUSER</b>		Date <b>05/09/11</b>	Check if self-employed <input type="checkbox"/>	
<b>Paid Preparer's Use Only</b>	Firm's name (or yours if self-employed), address, and ZIP code <b>SC&amp;H TAX &amp; ADVISORY SERVICES, LLC 910 RIDGEBROOK ROAD SPARKS, MD 21152</b>			EIN <b>41-2069731</b>	Phone no. <b>410-403-1500</b>

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instr. on pg 18)

1. Description of property

(1) CONFERENCE CENTER
(2)
(3)
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) <b>SEE STATEMENT 2</b>
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)	560,008.	837,699.
(2)		
(3)		
(4)		
Total	0.	Total 560,008.

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **560,008.**  
**(b) Total deductions.** Enter here and on page 1, Part I, line 6, column (B) **837,699.**

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

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

**Totals** Enter here and on page 1, Part I, line 7, column (A) **0.** Enter here and on page 1, Part I, line 7, column (B) **0.**

**Total dividends-received deductions** included in column 8 **0.**

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

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

**Totals** Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) **0.** Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) **0.**



Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 20)

Table with 5 columns: 1. Description of income, 2. Amount of income, 3. Deductions directly connected, 4. Set-asides, 5. Total deductions and set-asides. Totals row shows 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 21)

Table with 7 columns: 1. Description of exploited activity, 2. Gross unrelated business income, 3. Expenses directly connected, 4. Net income (loss), 5. Gross income from activity, 6. Expenses attributable, 7. Excess exempt expenses. Totals row shows 0.

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

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs. Totals row shows 0.

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

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs. Totals row shows 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

Table with 4 columns: 1. Name, 2. Title, 3. Percent of time devoted to business, 4. Compensation attributable to unrelated business. Total row shows 0.

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FORM 990-T      PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER      STATEMENT      1

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CORPORATION'S NAME      IDENTIFYING NO

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THE SHEPPARD AND ENOCH PRATT FOUNDATION, INC.      52-1357109

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FORM 990-T      DEDUCTIONS CONNECTED WITH RENTAL INCOME      STATEMENT      2

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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
SALARIES		210,666.	
SUPPLIES		156,337.	
LICENSES		237.	
MISCELLANEOUS		11,334.	
EQUIPMENT RENTAL		4,786.	
PROFESSIONAL FEES		1,123.	
TELEPHONE		2,555.	
ADVERTISING		142.	
ALLOCATED SPACE COSTS		320,315.	
EMPLOYEE BENEFITS		65,684.	
INFORMATION SYSTEMS		34,373.	
UNIFORMS		1,138.	
CONTRACTED FEES		8,369.	
SUPPORT SERVICES		20,640.	
- SUBTOTAL -	1		837,699.
TOTAL TO FORM 990-T, SCHEDULE C, COLUMN 3			837,699.

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Form **8879-EO**

**IRS e-file Signature Authorization  
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2009, or fiscal year beginning JUL 1, 2009, and ending JUN 30, 2010

**2009**

▶ **Do not send to the IRS. Keep for your records.**  
▶ **See instructions.**

Department of the Treasury  
Internal Revenue Service

Name of exempt organization

Employer identification number

**SHEPPARD PRATT HEALTH SYSTEM, INC.**

**52-0591684**

Name and title of officer

**Patricia Pinkerton**

**Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return for which you are filing this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

<b>1a</b> Form 990 check here ▶ <input checked="" type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990, Part VIII, column (A), line 12) .....	<b>1b</b> <u>177577743</u>
<b>2a</b> Form 990-EZ check here ▶ <input type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990-EZ, line 9) .....	<b>2b</b> _____
<b>3a</b> Form 1120-POL check here ▶ <input type="checkbox"/>	<b>b</b> Total tax (Form 1120-POL, line 22) .....	<b>3b</b> _____
<b>4a</b> Form 990-PF check here ▶ <input type="checkbox"/>	<b>b</b> Tax based on investment income (Form 990-PF, Part VI, line 5) .....	<b>4b</b> _____
<b>5a</b> Form 8868 check here ▶ <input type="checkbox"/>	<b>b</b> Balance Due (Form 8868, line 3c) .....	<b>5b</b> _____

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2009 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

**Officer's PIN: check one box only**

I authorize **SC&H TAX & ADVISORY SERVICES, LLC** to enter my PIN **91684**  
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **52410221031**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ **05/09/11**

**ERO Must Retain This Form - See Instructions  
Do Not Submit This Form To the IRS Unless Requested To Do So**

# 2009 TAX RETURN FILING INSTRUCTIONS

MARYLAND FORM 500

FOR THE YEAR ENDING

June 30, 2010

<b>Prepared for</b>	Sheppard Pratt Health System, Inc. P.O. Box 6815 Baltimore, MD 21285
<b>Prepared by</b>	SC&H Tax & Advisory Services, LLC 910 Ridgebrook Road Sparks, Maryland 21152
<b>To be signed and dated by</b>	The appropriate corporate officer(s).
<b>Amount of tax</b>	Total tax \$ ..... 0.00 Less: payments and credits \$ ..... 0.00 Plus: other amount \$ ..... 0.00 Plus: interest and penalties \$ ..... 0.00 No pmt required \$ .....
<b>Overpayment</b>	Credited to your estimated tax \$ ..... 0.00 Other amount \$ ..... 0.00 Refunded to you \$ ..... 0.00
<b>Make check payable to</b>	Not applicable
<b>Mail tax return and check (if applicable) to</b>	Comptroller of Maryland Revenue Administration Div. Annapolis, MD 21411-0001
<b>Return must be mailed on or before</b>	Please sign and mail as soon as possible.
<b>Special Instructions</b>	



OR FISCAL YEAR BEGINNING JUL 1, 2009, ENDING JUN 30 2010

Name: SHEPPARD PRATT HEALTH SYS
Number and street: P.O. BOX 6815
City or town: BALTIMORE State: MD ZIP Code: 21285
Federal Employer Identification No. (9 digits): 520591684
Do not write in this space: ME 06
FEIN Applied for date: YE 10
Date of Organization or Incorporation (MMDDYY): Business Activity Code No. (6 digits): 531190



CHECK HERE IF: NAME OR ADDRESS HAS CHANGED INACTIVE CORPORATION FIRST FILING OF THE CORPORATION FINAL RETURN
THIS TAX YEAR'S BEGINNING AND ENDING DATES ARE DIFFERENT FROM LAST YEAR'S DUE TO AN ACQUISITION OR CONSOLIDATION.

SEE INSTRUCTIONS IN CORPORATION INCOME TAX BOOKLET. ATTACH A COPY OF THE FEDERAL INCOME TAX RETURN THROUGH SCHEDULE M2

1. Taxable income based on attached federal return from the Taxable Income Worksheet. (Check applicable box:
[X] 1120/1120A, [X] 990T, [ ] 1120-REIT, [ ] Other IF 1120S, FILE ON FORM 510) 1 -277691

ADDITION MODIFICATIONS (All entries must be positive amounts)

2. a. State and local income tax 2a
b. Dividends and interest from another state, local or federal tax-exempt obligations b
c. Net operating loss modification (Do not enter NOL carryover. See Instructions.) c
d. Section 10-306.1 related party transactions d
e. Domestic Production Activities Deduction e
f. Deduction for Dividends paid by a captive REIT f
g. Other additions (Enter code letter(s) from instructions and attach sch.) g
h. Total additions (Add lines 2a through 2g) 2h 3 -277691

SUBTRACTION MODIFICATIONS (All entries must be positive amounts)

4. a. Dividends for domestic corporations claiming foreign tax credits 4a
b. Dividends from related foreign corporations b
c. Income from U.S. obligations c
d. Section 10-306.1 related party transactions d
e. Other subtractions (Enter code letter(s) from instructions and attach schedule.) e
f. Total subtractions (Add lines 4a through 4e) 4f 5 -277691

5. Maryland modified income (Subtract line 4f from line 3) 5 -277691

APPORTIONMENT OF INCOME (To be completed by multistate corporations whose apportionment factor is less than 1, otherwise skip to line 8)

6. Maryland apportionment factor (from page 2 of this form) (If factor is zero, enter 000001) 6
7. Maryland apportioned income (Multiply line 5 by line 6) 7

8. Maryland taxable income (from line 5 or line 7, whichever is applicable) 8 -277691
9. TAX (Multiply line 8 by 8.25%) 9 0

10. a. Estimated tax paid with Form 500DP, Form 500D, Form MW506NRS and/or credited from 2008 overpayment 10a
b. Tax paid with an extension request (Form 500E) b
c. Nonrefundable business income tax credits from Part T, In 26 of Form 500CR (Att Form 500CR) c
d. Refundable business income tax credits from Part V, line 3 of Form 500CR (Attach Form 500CR) d
e. Heritage Structure Rehabilitation tax credit (Attach Form 5024) Check here if non-profit e
f. Nonresident tax paid on behalf of the corp by pass-through entities (Att Sch K-1 or statement) f
g. Total payments and credits (Add lines 10a through 10f) 10g
11. Balance of tax due (If line 9 exceeds line 10g, enter the difference) 11
12. Overpayment (If line 10g exceeds line 9, enter the difference) 12
13. Interest and/or penalty from Form 500UP or late payment interest Total 13
14. Total balance due (Add lines 11 and 13, or if line 13 exceeds line 12 enter the difference) 14
15. Amt of overpayment to be applied to estimated tax for 2010 (not to exceed the net of ln 12 less ln 13) 15
16. Amount of overpayment TO BE REFUNDED (Add lines 13 and 15, and subtract the total from line 12) 16

DIRECT DEPOSIT OF REFUND (See instructions.) Please be sure the account information is correct.

In order to comply with new banking rules, please, check here if this refund will go to an account outside the United States. If checked, see instructions.

17. For the direct deposit option, complete the following information clearly and legibly. 17a. Type of account: Checking Savings
17b. Routing number 17c. Account number

FORM 500 MARYLAND CORPORATION INCOME TAX RETURN



Table with columns: NAME, FEIN, SCHEDULE A - COMPUTATION OF APPOINTMENT FACTOR, Column 1 TOTALS WITHIN MARYLAND, Column 2 TOTALS WITHIN AND WITHOUT MARYLAND, Column 3 DECIMAL FACTOR. Rows include Receipts (1A, 1B), Property (2), Payroll (3), Total of factors (4), and Maryland apportionment factor (5).

SCHEDULE B - ADDITIONAL INFORMATION REQUIRED (Attach a separate schedule if more space is necessary)

- 1. Telephone number of corporation tax department: 410-938-3000
If a multistate operation, provide the following:
2. Address of principal place of business in Maryland (if other than indicated on page 1):
3. Brief description of operations in Maryland: PROVIDES BEHAVIORAL HEALTH SERVICES
4. Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that were not previously reported to the Maryland Revenue Administration Division?
5. Did the corporation file employer withholding tax returns/forms with the Maryland Revenue Administration Division for the last calendar year?
6. Is this entity part of a federal consolidated filing?
7. Is this entity a multistate corporation that is a member of a unitary group?
8. Is this entity a multistate manufacturer with more than 25 employees? If so, complete and attach Form 500MC to your Form 500.

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. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge. Check here [X] if you authorize your tax preparer to discuss this return with us.

Officer's signature: [Signature] Date: [Date] Preparer's SSN or PTIN: P00370694 (required by law) Preparer's signature: LORI S. BURGHAUSER

Title: [Blank] Preparer's name, address and telephone number: SC&H TAX & ADVISORY SERVICES, LLC, 910 RIDGEBROOK ROAD, SPARKS, MARYLAND 21152