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Return of Organization Exempt From Income Tax

2008

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2008 calendar year, or tax year beginning, 2008, and ending, 20

Form 990 header section containing organization name (TEXAS MEDICAL CENTER), address (2450 HOLCOMBE BLVD., SUITE 1 HOUSTON, TX 77021-2040), EIN (74-1030788), and other identifying information.

Part I Summary

Table with 22 rows detailing financial and governance information. Includes sections for 'Activities & Governance' (mission, members, employees) and 'Revenue' (total revenue, expenses, net assets). A 'RECEIVED' stamp is present over the revenue and expense data.

Part II Signature Block

Signature block containing the signature and name of Richard E. Wainerdi, President CEO CDO, dated 11/3/10.

Preparer information section including the signature of the preparer (Kaye E. Fido), date (10/28/10), and firm name (PRICEWATERHOUSECOOPERS LLP).

May the IRS discuss this return with the preparer shown above? (See instructions) X Yes

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission

SEE SCHEDULE O

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

If "Yes" describe these new services on Schedule O

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code _____) (Expenses \$ 62,207,154. including grants of \$ 19,456.) (Revenue \$ 80,926,293.)

SEE SCHEDULE O

4b (Code _____) (Expenses \$ 4,398,069. including grants of \$ NONE) (Revenue \$ 2,573,769.)

SEE SCHEDULE O

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 ► \$ 66,605,223. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No		
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	175		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . .	2a	400		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			X
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			X
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? . . .	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

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

Table with 11 rows of questions and 3 columns: Question, Yes, No. Includes sub-questions 1a, 1b, 7a, 7b, 8a, 8b, 9a, 9b, 15a, 15b, 16a, 16b.

Section B. Policies

Table with 12 rows of questions and 3 columns: Question, Yes, No. Includes sub-questions 12a, 12b, 12c, 15a, 15b, 16a, 16b.

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed
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
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

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

Table with 6 main columns: (A) Name and title, (B) Average hours per week, (C) Position (check all that apply), (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation.

1b Total 3,160,593. NONE 609,260.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization 25

- 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a?
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?
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization?

Yes/No grid for questions 3, 4, and 5.

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

Table with 3 columns: (A) Name and business address, (B) Description of services, (C) Compensation.

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization 20

Part VIII Statement of Revenue

74-1030788

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	234,512.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f			234,512.			
Program Service Revenue	Business Code					
	2a SERVICES TO THE TMC COMMUNITY	900099	80,926,293.	75,501,612.	1,239,261.	4,185,420.
	b COMMONS MAINTENANCE & SECURITY	900099	2,573,769.	2,573,769.		
	c					
	d					
	e					
	f All other program service revenue					
g Total. Add lines 2a-2f			83,500,062.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		6,264,876.			6,264,876.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	76,010,753.	16,725.			
	b Less cost or other basis and sales expenses	96,097,047.	28,033.			
	c Gain or (loss)	-20,086,294.	-11,308.			
	d Net gain or (loss)			-20,097,602.		-20,097,602.
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses	b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a					
b Less cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11a MISCELLANEOUS	900099	28,361.			28,361.	
b						
c						
d All other revenue						
e Total. Add lines 11a-11d			28,361.			
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			69,930,209.	78,075,381.	1,239,261.	-9,618,945.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the US See Part IV, line 21 . . .	19,436.	19,436.		
2 Grants and other assistance to individuals in the US See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the US See Part IV, lines 15 and 16				
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	2,811,811.	1,514,075.	1,297,736.	
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	15,953,623.	12,820,274.	3,133,349.	
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions)	2,587,782.	1,881,958.	705,824.	
9 Other employee benefits	4,223,281.	3,491,126.	732,155.	
10 Payroll taxes	1,309,570.	1,013,541.	296,029.	
11 Fees for services (non-employees)				
a Management	439,583.	439,583.		
b Legal	239,280.	69,196.	170,084.	
c Accounting	162,510.		162,510.	
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	762,960.		762,960.	
g Other	1,543,950.	942,488.	601,462.	
12 Advertising and promotion	NONE			
13 Office expenses	1,631,185.	1,005,067.	626,118.	
14 Information technology	127,983.	31,318.	96,665.	
15 Royalties	NONE			
16 Occupancy	4,778,573.	4,778,573.		
17 Travel	82,021.	41,559.	40,462.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	119,526.	29,002.	90,524.	
20 Interest	10,533,989.	10,459,897.	74,092.	
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	13,203,488.	12,469,971.	733,517.	
23 Insurance	1,272,375.	1,151,537.	120,838.	
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 <u>FOOD SERVICE EXPENSES</u>	3,833,551.	3,833,551.		
b <u>FACILITIES MAINTENANCE</u>	5,662,382.	5,506,878.	155,504.	
c <u>TRANSPORTATION AGREEMENTS</u>	1,614,134.	1,614,134.		
d <u>SECURITY AGREEMENTS</u>	1,163,864.	1,147,128.	16,736.	
e <u>PARKING MAINTENANCE</u>	766,478.	766,478.		
f All other expenses	3,109,227.	1,578,453.	1,530,774.	
25 Total functional expenses. Add lines 1 through 24f	77,952,562.	66,605,223.	11,347,339.	NONE
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	201,458.	1	3,138,665.
	2	Savings and temporary cash investments	15,961,996.	2	4,811,985.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	4,696,060.	4	10,382,364.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net	NONE	7	28,074,877.
	8	Inventories for sales or use	452,665.	8	358,351.
	9	Prepaid expenses and deferred charges	1,398,930.	9	1,414,661.
	10a	Land, buildings, and equipment cost basis	10a 328,660,488.		
	10b	Less: accumulated depreciation Complete Part VI of Schedule D.	10b 128,993,729.		
	10c		211,040,851.	10c	199,666,759.
	11	Investments - publicly traded securities	153,456,392.	11	132,964,303.
	12	Investments - other securities See Part IV, line 11	4,410,521.	12	3,583,839.
	13	Investments - program-related See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets See Part IV, line 11	18,940,911.	15	3,759,895.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	410,559,784.	16	388,155,699.	
Liabilities	17	Accounts payable and accrued expenses	9,645,317.	17	12,694,754.
	18	Grants payable		18	
	19	Deferred revenue	1,546,946.	19	5,418,324.
	20	Tax-exempt bond liabilities	248,845,355.	20	230,771,580.
	21	Escrow account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable	NONE	24	5,865,875.
	25	Other liabilities Complete Part X of Schedule D	9,030,662.	25	19,162,630.
	26	Total liabilities. Add lines 17 through 25.	269,068,280.	26	273,913,163.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	138,738,355.	27	110,383,130.
	28	Temporarily restricted net assets	2,207,149.	28	3,313,406.
	29	Permanently restricted net assets	546,000.	29	546,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	141,491,504.	33	114,242,536.
	34	Total liabilities and net assets/fund balances	410,559,784.	34	388,155,699.

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b	Were the organization's financial statements audited by an independent accountant?	2b	X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X
b	If "Yes," did the organization undergo the required audit or audits?	3b	

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

Name of the organization TEXAS MEDICAL CENTER	Employer identification number 74-1030788
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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 (Please check only one organization)

- 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)**. (Attach Schedule H)
- 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)**. (see instructions)
- 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? 11g(i)		
(ii) A family member of a person described in (i) above? 11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		

h Provide the following information about the organizations the organization supports

(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 US?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi) (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2008; 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f; 16a 33 1/3% support test - 2008; 16b 33 1/3% support test - 2007; 17a 10%-facts-and-circumstances test - 2008; 17b 10%-facts-and-circumstances test - 2007; 18 Private foundation.

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	2,836,895.	996,867.	901,529.	398,343.	234,512.	5,368,146.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	72,061,542.	63,906,561.	72,640,018.	74,384,034.	78,075,381.	361,067,536.
3 Gross receipts from activities that are not an unrelated trade or business under section 513	4,314,096.	4,244,375.	4,599,806.	4,733,189.	4,185,420.	22,076,886.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	79,212,533.	69,147,803.	78,141,353.	79,515,566.	82,495,313.	388,512,568.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	2,467,510.	300,000.				2,767,510.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000	35,254,454.	37,122,953.	43,434,698.	43,774,446.	49,255,618.	208,842,169.
c Add lines 7a and 7b.	37,721,964.	37,422,953.	43,434,698.	43,774,446.	49,255,618.	211,609,679.
8 Public support (Subtract line 7c from line 6)						176,902,889.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6.	79,212,533.	69,147,803.	78,141,353.	79,515,566.	82,495,313.	388,512,568.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	4,812,716.	5,212,917.	7,052,192.	7,006,039.	6,264,876.	30,348,740.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	4,812,716.	5,212,917.	7,052,192.	7,006,039.	6,264,876.	30,348,740.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	52,133.		314,699.	301,928.	28,361.	697,121.
13 Total support. (Add lines 9, 10c, 11, and 12)						419,558,429.
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	42.16%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	53.07%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	7.23%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h.	18	7.71%

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

Part IV Supplemental Information. Complete this part to provide the explanation required by Part II, line 10, Part II, line 17a or 17b, or Part III, line 12. Provide any other additional information. (see instructions)

SCHEDULE A, PART III - OTHER INCOME

DESCRIPTION	2004	2005	2006	2007	2008	TOTAL
MISCELLANEOUS INCOME/ROYALTIES	50,131.		314,699.	87,967.	28,361.	481,158.
GRANT OF EASEMENT				213,961.		213,961.
PROCEEDS FROM SALE OF						
NONCAPITAL ASSETS	2,002.					2,002.
TOTALS	52,133.		314,699.	301,928.	28,361.	697,121.

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

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

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

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

- Section 501(cy)(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 TEXAS MEDICAL CENTER	Employer identification number 74-1030788
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Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.
See the instructions for Schedule C for details

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

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____ NONE
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____ NONE
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV

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

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

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

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1 a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	264,678.													
c	Total lobbying expenditures (add lines 1a and 1b)	264,678.													
d	Other exempt purpose expenditures	77,687,884.													
e	Total exempt purpose expenditures (add lines 1c and 1d)	77,952,562.													
f	Lobbying nontaxable amount. Enter the amount from the following table in both columns	1,000,000.													
<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)	250,000.													
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a														
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2 a Lobbying non-taxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% line 2a, column(e))					6,000,000.
c Total lobbying expenditures	376,277.	10,539.	142,657.	264,678.	794,151.
d Grassroots non-taxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
f Grassroots lobbying expenditures	1,879.	726.	NONE	NONE	2,605.

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

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation... a Volunteers? b Paid staff or management... c Media advertisements? d Mailings to members... e Publications... f Grants to other organizations... g Direct contact with legislators... h Rallies, demonstrations... i Other activities? j Total lines 1c through 1i. 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? b If "Yes," enter the amount of any tax incurred under section 4912 c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

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

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

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

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

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 1. Also, complete this part for any additional information

Series of horizontal dashed lines for providing supplemental information.

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization

Employer identification number

TEXAS MEDICAL CENTER

74-1030788

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

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two questions about donor advisement.

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

Table with 3 columns: Line number, Description, Held at the End of the Year. Rows include purpose(s) of conservation easements, number of easements, and monitoring details.

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

Table with 3 columns: Line number, Description, Amount. Rows include reporting requirements for art and historical treasures and associated revenues/assets.

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	5,540,686.				
b Contributions					
c Investment earnings or losses	-394,787.				
d Grants or scholarships					
e Other expenditures for facilities and programs	66,340.				
f Administrative expenses	21,444.				
g End of year balance	5,058,115.				

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

- a Board designated or quasi-endowment ▶ 23.0000 %
- b Permanent endowment ▶ 11.0000 %
- c Term endowment ▶ 66.0000 %

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

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

	Yes	No
3a(i)		X
3a(ii)		X
3b		

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		49,890,242.		49,890,242.
b Buildings		239,763,721.	101,238,912.	138,524,809.
c Leasehold improvements				
d Equipment		33,158,192.	27,754,817.	5,403,375.
e Other		5,848,334.		5,848,334.
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ▶				199,666,760.

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	69,930,209.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	77,952,562.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-8,022,353.
4	Net unrealized gains (losses) on investments	4	-13,871,406.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-5,355,209.
9	Total adjustments (net) Add lines 4-8	9	-19,226,615.
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-27,248,968.

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	55,328,085.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-13,871,406.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	32,242.
e	Add lines 2a through 2d	2e	-13,839,164.
3	Subtract line 2e from line 1	3	69,167,249.
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	762,960.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	762,960.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	69,930,209.

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

1	Total expenses and losses per audited financial statements	1	77,221,844.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	32,242.
e	Add lines 2a through 2d	2e	32,242.
3	Subtract line 2e from line 1	3	77,189,602.
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	762,960.
c	Add lines 4a and 4b	4c	762,960.
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	77,952,562.

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information (continued)

INTENDED USES OF ENDOWMENT FUNDS

FORM 990, SCHEDULE D, PART V, LINE 4

ENDOWMENTS ARE USED FOR ACTIVITIES RELATED TO THE TREATMENT AND CARE OF
CANCER PATIENTS, STUDIES OF TUBERCULOSIS, CONGENITAL CARDIOVASCULAR
DISEASE EDUCATION AND RESEARCH, A LECTURE SERIES ON MEDICAL ETHICS, AND
FOR GENERAL PURPOSES, INCLUDING EXPENSES TO IMPLEMENT NEW COOPERATIVE
PROJECTS INVOLVING SEVERAL INSTITUTIONS FOR THE BENEFIT OF THE MEDICAL
CENTER AS A WHOLE.

UNCERTAIN TAX POSITIONS

FORM 990, SCHEDULE D, PART X

AS OF DECEMBER 31, 2008 AND 2007, THE IMPACT OF FIN 48 ON THE
CORPORATION'S FINANCIAL STATEMENTS IS NOT SIGNIFICANT.

OTHER CHANGES IN NET ASSETS

FORM 990, SCHEDULE D, PART XI, LINE 8

LOSS ON EARLY EXTINGUISHMENT OF DEBT (\$3,130,651)

PENSION RELATED CHANGES OTHER THAN

NET PERIODIC PENSION COST (\$2,224,558)

Part XIV Supplemental Information (continued)

OTHER REVENUE INCLUDED ON BOOKS BUT NOT ON RETURN

FORM 990, SCHEDULE D, PART XII, LINE 2D

TMC ANNUAL ASSESSMENT CONTRIBUTION \$32,242

OTHER EXPENSES INCLUDED ON BOOKS BUT NOT ON RETURN

FORM 990, SCHEDULE D, PART XIII, LINE 2D

TMC ANNUAL ASSESSMENT CONTRIBUTION \$32,242

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed

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

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

PROCEDURE FOR MONITORING USE OF GRANT FUNDS IN THE U.S.
 FORM 990, SCHEDULE I, PART I, LINE 2
 GRANT ACTIVITY IS MONITORED BY TRACKING THE EXPENDITURES IN A SEPARATE
 COST CENTER FOR GRANTS. ADDITIONALLY, A RECORD IS MAINTAINED FOR EACH
 GRANT, SHOWING THE BUDGET, THE EXPENDITURES TO-DATE, THE REIMBURSEMENT
 RECEIVED FROM THE GRANT FUNDS AND ANY REMAINING BALANCE OF THE GRANT.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

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

Name of the organization

TEXAS MEDICAL CENTER

Employer identification number

74-1030788

Part I Questions Regarding Compensation

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

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

- b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain
- 2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

- 3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply
- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

- 4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a
- a Receive a severance payment or change of control payment?
- b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

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

- 5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of
- a The organization?
- b Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III
- 6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of
- a The organization?
- b Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III
- 7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III
- 8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

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

Schedule J (Form 990) 2008

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation				(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(iv) Other reportable compensation				
	(i)	719,149.	NONE	31,981.	209,665.	18,529.	979,324.	NONE
RICHARD E WAINERDI	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	225,701.	NONE	51,056.	12,202.	20,509.	309,468.	NONE
ROBERT STOTT	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	155,429.	NONE	41,591.	9,129.	18,549.	224,698.	NONE
JOYCE H CAMP	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	143,602.	NONE	42,145.	8,517.	18,442.	212,706.	NONE
PATRICIA C MITCHELL	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	233,579.	NONE	16,929.	32,202.	17,351.	300,061.	20,000.
DENISE CASTILLO-RHODES	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	136,733.	NONE	41,713.	7,729.	17,507.	203,682.	NONE
GARY E ELLISON	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	110,725.	NONE	25,898.	6,677.	19,205.	162,505.	NONE
EVELYN F HEIM-GRUBB	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	102,067.	NONE	32,538.	5,633.	16,873.	157,111.	NONE
AKBAR TAVANGARIAN	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	101,163.	NONE	40,351.	5,043.	16,414.	162,971.	NONE
HARRY D HOLMES	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	160,325.	NONE	31,148.	9,133.	18,893.	219,499.	NONE
JOHN KAJANDER	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	128,859.	NONE	10,392.	1,566.	16,873.	157,690.	NONE
BASSEM ABI NASSIF	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	115,391.	NONE	21,571.	7,165.	16,826.	160,953.	NONE
ALYNE ASSUNTO	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(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

QUESTIONS REGARDING COMPENSATION

FORM 990, SCHEDULE J, LINE 1A

TEXAS MEDICAL CENTER PAID DUES FOR A SOCIAL CLUB MEMBERSHIP FOR THE

PRESIDENT FOR THE PURPOSE OF FACILITATING BUSINESS MEALS. THE MEMBERSHIP

WAS TERMINATED IN 2008.

FORM 990, SCHEDULE J, LINE 4A

TEXAS MEDICAL CENTER'S PRACTICE HAS BEEN TO PAY SEVERANCE TO CERTAIN

TERMINATED EMPLOYEES. DURING 2008, TEXAS MEDICAL CENTER PAID \$44,692 OF

SEVERANCES TO NANCY CONLIN AND \$12,692 TO HARRY HOLMES.

FORM 990, SCHEDULE J, LINE 4B

EFFECTIVE IN 2008, THE COMPENSATION COMMITTEE OF TEXAS MEDICAL CENTER'S

BOARD OF DIRECTORS AWARDED DR. WAINERDI DEFERRED COMPENSATION IN THE FORM

OF A NONQUALIFIED RETIREMENT PLAN. DR. WAINERDI IS A PARTICIPANT IN TEXAS

MEDICAL CENTER'S RETIREMENT PLAN BUT WAS NOT ELIGIBLE TO ACCRUE ANY

ADDITIONAL BENEFITS SINCE REACHING AGE 65. THE PURPOSE OF THIS ADDITIONAL

COMPENSATION WAS TO RESTORE TO DR. WAINERDI THE VALUE OF CERTAIN

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

RETIREMENT BENEFITS WHICH WERE REDUCED BY CHANGES IN THE INTERNAL REVENUE
CODE AND REGULATORY GUIDANCE, EFFECTIVE JANUARY 1, 2007, THE TAX
REGULATIONS CHANGED THE MANNER THAT THE LUMP SUM VALUE OF AN INDIVIDUAL'S
PENSION BENEFIT UNDER THE TEXAS MEDICAL CENTER RETIREMENT PLAN IS
CALCULATED AND REDUCED THE VALUE OF HIS PENSION. THEREFORE, THE AGREEMENT
WAS DESIGNED TO MAKE-UP THE VALUE OF THE LOST PENSION BENEFIT AND TO
INCENTIVIZE DR. WAINERDI TO CONTINUE TO SERVE TEXAS MEDICAL CENTER. THE
DEFERRED INCENTIVE VESTS JANUARY 1, 2011. THE AMOUNT ACCRUED FOR 2008 WAS
\$191,667.

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

Continuation Sheet for Form 990

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

Name of the Organization

Employer Identification number

TEXAS MEDICAL CENTER

74-1030788

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			
RICHARD E WAINERDI PRES., CEO, COO	40.	X		X				751,130.	NONE	228,194.
ANDREW M ALEXANDER DIRECTOR	1.	X						NONE	NONE	NONE
ROBERT H ALLEN DIRECTOR	1.	X						NONE	NONE	NONE
THOMAS D BARROW PHD DIRECTOR	1.	X						NONE	NONE	NONE
ROBERT E BEAUCHAMP DIRECTOR	1.	X						NONE	NONE	NONE
PAUL GERVAIS BELL DIRECTOR	1.	X						NONE	NONE	NONE
A T BLACKSHEAR JR DIRECTOR	1.	X						NONE	NONE	NONE
JACK S BLANTON DIRECTOR	1.	X						NONE	NONE	NONE
JOHN F BOOKOUT DIRECTOR	1.	X						NONE	NONE	NONE
J DOWNEY BRIDGWATER DIRECTOR	1.	X						NONE	NONE	NONE
ALAN R BUCKWALTER III DIRECTOR	1.	X						NONE	NONE	NONE
PHILIP J CARROLL DIRECTOR	1.	X						NONE	NONE	NONE
JOHN T CATER DIRECTOR	1.	X						NONE	NONE	NONE
ANTHONY R CHASE DIRECTOR	1.	X						NONE	NONE	NONE
H SCOTT CAVEN JR DIRECTOR	1.	X						NONE	NONE	NONE
O HOLCOMBE CROSSWELL VICE CHAIRMAN	1.	X						NONE	NONE	NONE
ROBERT J CRUIKSHANK DIRECTOR	1.	X						NONE	NONE	NONE
LYNN ELSNHANS DIRECTOR	1.	X						NONE	NONE	NONE
GIBSON GAYLE JR DIRECTOR	1.	X						NONE	NONE	NONE
ELIZABETH L GHRIST DIRECTOR	1.	X						NONE	NONE	NONE
ROBERT G GREER DIRECTOR	1.	X						NONE	NONE	NONE

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

Schedule J-2 (Form 990) 2008

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

Continuation Sheet for Form 990

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

Name of the Organization

Employer identification number

TEXAS MEDICAL CENTER

74-1030788

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			
CHARLES W HALL DIRECTOR	1.	X					NONE	NONE	NONE	
BRADLEY N HOWELL DIRECTOR	1.	X					NONE	NONE	NONE	
AMBASSADOR ROY M HUFFINGTON DIRECTOR	1.	X					NONE	NONE	NONE	
R BRUCE LABOON TREASURER AND SECRETARY	1.	X					NONE	NONE	NONE	
MRS ROBERT C LANIER DIRECTOR	1.	X					NONE	NONE	NONE	
SANFORD E MCCORMICK DIRECTOR	1.	X					NONE	NONE	NONE	
QUENTIN R MEASE DIRECTOR	1.	X					NONE	NONE	NONE	
RALPH S O'CONNOR DIRECTOR	1.	X					NONE	NONE	NONE	
PATRICK C OXFORD DIRECTOR	1.	X					NONE	NONE	NONE	
GEORGE A PETERKIN JR DIRECTOR	1.	X					NONE	NONE	NONE	
MS. VALE ASCHE RUSSELL DIRECTOR	1.	X					NONE	NONE	NONE	
DAVID M UNDERWOOD CHAIRMAN	1.	X					NONE	NONE	NONE	
ROBERT C VANZANT MD DIRECTOR	1.	X					NONE	NONE	NONE	
BERNARD L WEINGARTEN DIRECTOR	1.	X					NONE	NONE	NONE	
WALLACE S WILSON DIRECTOR	1.	X					NONE	NONE	NONE	
STEPHEN H DONCARLOS DIRECTOR	1.	X					NONE	NONE	NONE	
ROBERT STOTT EXECUTIVE VICE PRESIDENT	40.			X			276,757.	NONE	32,711.	
JOYCE H CAMP SENIOR VICE PRESIDENT	40.			X			197,020.	NONE	27,678.	
PATRICIA C MITCHELL SENIOR VICE PRESIDENT	40.			X			185,747.	NONE	26,959.	
DENISE CASTILLO-RHODES EXECUTIVE VICE PRESIDENT & CFO	40.			X			250,508.	NONE	49,553.	
GARY E ELLISON SENIOR VICE PRESIDENT	40.			X			178,446.	NONE	25,236.	

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

Schedule J-2 (Form 990) 2008

JSA

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

Continuation Sheet for Form 990

OMB No 1545-0047

2008

Department of the Treasury
Internal Revenue Service

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

**Open to Public
Inspection**

Name of the Organization

Employer Identification number

TEXAS MEDICAL CENTER

74-1030788

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			
HARRY D HOLMES SENIOR VICE PRESIDENT	40.			X				141,514.	NONE	21,457.
JOHN KAJANDER SENIOR VICE PRESIDENT	40.			X				191,473.	NONE	28,026.
KATHRYN S STREAM SENIOR VICE PRESIDENT	40.			X				74,586.	NONE	17,226.
ALYNE ASSUNTO SENIOR VP, GENERAL COUNSEL	40.			X				136,962.	NONE	23,991.
NANCY CONLIN GENERAL COUNSEL	40.			X				120,234.	NONE	18,070.
EVELYN F HEIM-GRUBB VICE PRESIDENT	40.					X		136,623.	NONE	25,882.
AKBAR TAVANGARIAN VICE PRESIDENT	40.					X		134,605.	NONE	22,506.
MARIA L RODRIGUEZ CONTROLLER	40.					X		128,116.	NONE	20,952.
BASSEM ABI NASSIF VICE PRESIDENT	40.					X		139,251.	NONE	18,439.
PATRICIA A MORTON DIRECTOR OF IT	40.					X		117,621.	NONE	22,380.

Supplemental Information on Tax-Exempt Bonds

2008

Department of the Treasury
Internal Revenue Service

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

Open to Public
Inspection

Name of the organization

TEXAS MEDICAL CENTER

Employer identification number

74-1030788

Part I Bond Issues (Required for 2008)

(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
A HARRIS COUNTY CULTURAL EDUCATION FACIL. FIN. CORP.	76-0337885	414010AB8	12/01/2008	55,700,000.	REFUND PRIOR ISSUE 4/19/06		X		X
B HARRIS COUNTY CULTURAL EDUCATION FACIL. FIN. CORP.	76-0337885	414010AB6	10/22/2008	120,000,000.	REFUND PRIOR ISSUES		X		X
C									
D									
E									

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

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

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

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?										
b Are there any research agreements with respect to the financed property which may result in private business use?										
c 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?										
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government.		%		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government.		%		%		%		%		%
6 Total of lines 4 and 5.		%		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage (Optional for 2008)

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

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No 1545-0047

2008

**Open To Public
Inspection**

Name of the organization **TEXAS MEDICAL CENTER** Employer identification number **74-1030788**

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only)
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

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

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

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

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

Part IV Business Transactions Involving Interested Persons.
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
FULLBRIGHT & JAWORSKI, LLP	DIR. CHARLES W HALL	417,079.	LEGAL SERVICES		X
STERLING BANCSHARES, INC.	DIR. J DOWNEY BRIDGWATER		LICENSE FEES/BANK FEES		X
STERLING BANCSHARES, INC.	DIR. R BRUCE LABOON		LICENSE FEES/BANK FEES		X
BVAA COMPASS BANK	DIR. JOHN T CATER		BANK FEES		X
BVAA COMPASS BANK	DIR. ROBERT J CRUIKSHANK		BANK FEES		X

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

**SCHEDULE O
(Form 990)**

Supplemental Information to Form 990

OMB No 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

TEXAS MEDICAL CENTER

74-1030788

MISSION STATEMENT

FORM 990, PART I, LINE 1 AND PART III, LINE 1

THE MISSION OF THE TEXAS MEDICAL CENTER IS TO PROMOTE THE HIGHEST QUALITY

HEALTH STATUS FOR ALL PEOPLE BY ASSISTING INSTITUTIONS OF THE TEXAS

MEDICAL CENTER TO ACHIEVE INDIVIDUAL AND COLLECTIVE GOALS OF THE HIGHEST

POSSIBLE STANDARDS OF PATIENT AND PREVENTIVE CARE, OF RESEARCH AND

EDUCATION, AND OF LOCAL, NATIONAL AND INTERNATIONAL COMMUNITY WELL-BEING.

Name of the organization

Employer identification number

TEXAS MEDICAL CENTER

74-1030788

PROGRAM SERVICE ACTIVITY #1

FORM 990, PART III

SERVICES TO THE TEXAS MEDICAL CENTER COMMUNITY

THE STATE OF TEXAS CREATED THE CHARTER FOR TEXAS MEDICAL CENTER TO

PROMOTE AND PROVIDE FOR THE COMMON GOOD. ACTING THROUGH A SERIES OF

BOARD OF DIRECTOR COMMITTEES SUCH AS FORWARD PLANNING COMMITTEE AND THE

BUILDING AND LANDS COMMITTEE, THE BOARD OF DIRECTORS GUIDES THE

DEVELOPMENT AND EFFECTIVE USES OF OUR LAND RESOURCES THROUGH STRATEGIC

AND MASTER PLANNING. ACTING THROUGH THE POLICY COUNCIL AND 16 OTHER

COUNCILS AND COMMITTEES, TEXAS MEDICAL CENTER PROMOTES MEMBER

INSTITUTIONAL COLLABORATION AND MODERATES CAMPUS-WIDE ISSUES SUCH AS THE

ELIMINATION OF SMOKING ON OUR CAMPUSES AND OUR UNIFIED PREPARATIONS FOR

PANDEMIC FLU. ONCE CONSENSUS IS REACHED AMONG THE MEMBERS, TEXAS MEDICAL

CENTER IMPLEMENTS CAMPUS POLICY. TEXAS MEDICAL CENTER CONTINUES TO PLAN

FOR GROWTH AND DEVELOPMENT BY ACTING AS A CENTRAL REPOSITORY FOR

INSTITUTIONAL GROWTH PLANS AND WORKING WITH URBAN PLANNERS AND

CONSULTANTS.

AS THE ORGANIZATION CHARGED WITH PROMOTING AND PROVIDING SUPPORT FOR THIS

MEDICAL CITY WITHIN A CITY, TEXAS MEDICAL CENTER IS DEDICATED TO THE

FOLLOWING GOALS AND OBJECTIVES:

-TO PROVIDE THE HIGHEST QUALITY HEALING ENVIRONMENT FOR PATIENTS AND

THEIR FAMILIES

-TO PROVIDE THE HIGHEST QUALITY LEARNING ENVIRONMENT FOR STUDENTS AND

FACULTY

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-TO DEMONSTRATE STEWARDSHIP OF THE LAND DEDICATED TO THE TEXAS MEDICAL CENTER

-TO REFLECT A COMMITMENT TO MULTI-DISCIPLINE COLLABORATION, INSTITUTIONAL PARTNERSHIPS AND ENCOURAGE THE EXCHANGE OF IDEAS IN RESEARCH, EDUCATION, AND PATIENT CARE

-TO EXPAND, ENHANCE AND SUPPORT INITIATIVES THAT CONTRIBUTE TO THE COMMON GOOD

-TO PROMOTE COLLABORATIVE PLANNING EFFORTS TO MANAGE THE EXPANSION OF TEXAS MEDICAL CENTER

-TO PLAN FOR PARKING, WAYFINDING SIGNAGE, LANDSCAPE AND OTHER SHARED FACILITIES AND SERVICES CONSISTENT WITH PLANNED GROWTH

-TO PREPARE FOR HAZARDOUS CONDITIONS AND PLAN TO MITIGATE CAMPUS VULNERABILITIES

-TO ENSURE ACCESS TO AND WITHIN THE CAMPUS, WITH AN EMPHASIS ON PUBLIC TRANSIT

-TO INTEGRATE MIXED USE (LIVE/WORK) FACILITIES INTO THE TEXAS MEDICAL COMMUNITY

TO CARRY OUT TEXAS MEDICAL CENTER'S MISSION, TEXAS MEDICAL CENTER'S VARIOUS ROLES AND RESPONSIBILITIES INCLUDE, BUT ARE NOT LIMITED TO:

-MANAGING THE COMMON AREA INFRASTRUCTURE/LANDSCAPE AND PARKING FACILITIES FOR VISITORS AND EMPLOYEES

-MODERATOR OF CAMPUS-WIDE ISSUES AND CONCERNS

-CREATING AND MAINTAINING SHARED FACILITIES

-COORDINATING ACCESS TO AND MOBILITY WITHIN THE TEXAS MEDICAL CENTER CAMPUS

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-LAND MANAGEMENT AND REAL ESTATE

-SPECIAL SERVICES FOR THE MANY INTERNATIONAL GUESTS WHO VISIT THE TEXAS

MEDICAL CENTER ANNUALLY

-CREATING COST-EFFECTIVE ECONOMIES OF SCALE

-ECONOMIC DEVELOPMENT TO ATTRACT ADVANCED MEDICAL TECHNOLOGY TO THE AREA

MASTER PLANNING VISION FOR LONG-TERM GROWTH AND DEVELOPMENT

MANAGING CAMPUS PROPERTY

TEXAS MEDICAL CENTER PROVIDES EMERGENCY PREPAREDNESS AND HAZARD

MITIGATION PLANNING SERVICES IN ADDITION TO CAMPUS-WIDE LONG-RANGE

INFRASTRUCTURE MASTER PLANNING TO ADDRESS FUTURE GROWTH. TEXAS MEDICAL

CENTER OWNS AND OPERATES MORE THAN 45,000 PARKING SPACES AND UTILIZES

METRO LIGHTRAIL (HOUSTON'S LIGHT RAIL SYSTEM) AND BUSES TO SHUTTLE

EMPLOYEES FROM OUR SATELLITE PARKING LOCATIONS.

MODERATOR OF CAMPUS-WIDE ISSUES AND CONCERNS

AS THE INDEPENDENT NEUTRAL ORGANIZATION FOUNDED TO PROMOTE AND PROVIDE

FOR THE COMMON GOOD, TEXAS MEDICAL CENTER SERVES AS CONVENER AND

FACILITATOR TO PROMOTE COLLABORATION AMONG ITS 48 MEMBER INSTITUTIONS.

TEXAS MEDICAL CENTER BRINGS REPRESENTATIVES FROM OUR MEMBER INSTITUTIONS

TOGETHER ON A DAILY BASIS TO CREATE UNIQUE SYNERGIES LEADING TO

INNOVATIVE PROGRAMS THAT ENHANCE THE LIVES OF THOSE WHO WORK, STUDY AND

SEEK TREATMENT AT TEXAS MEDICAL CENTER INSTITUTIONS, AS WELL AS THE

COMMUNITY AT LARGE.

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TO RESOLVE SHARED ISSUES AND CONCERNS, TEXAS MEDICAL CENTER HOSTS 17 COUNCILS, EACH DEVOTED TO A PARTICULAR AREA OF INTEREST, WHETHER IT BE NURSING, SECURITY, PHARMACY, PARKING AND MOBILITY, CONSTRUCTION, VOLUNTEER SERVICES, ETC. EACH COUNCIL INCLUDES A REPRESENTATIVE OF EACH TEXAS MEDICAL CENTER INSTITUTION MAKING IT POSSIBLE TO CROSS-POLLINATE IDEAS, SHARE BEST PRACTICES AND FOSTER CAMPUS COOPERATION.

TO MAINTAIN POSITIVE RELATIONSHIPS WITH OUR NEIGHBORING COMMUNITIES, REPRESENTATIVES FROM THE TEXAS MEDICAL CENTER ATTEND NEIGHBORHOOD CIVIC CLUB MEETINGS AND OTHER EVENTS DESIGNED TO FOSTER GOOD WILL AND COOPERATION.

CREATING AND DEVELOPING SHARED FACILITIES

TEXAS MEDICAL CENTER OWNS AND OPERATES SEVERAL SHARED FACILITIES AS A SERVICE TO ALL MEMBER INSTITUTIONS.

THE JOHN P. MCGOVERN TEXAS MEDIAL CENTER COMMONS BUILDING IS LOCATED IN THE HEART OF THE MAIN CAMPUS WITHIN EASY WALKING DISTANCE OF MOST MEMBER INSTITUTIONS. THE 288,000-SQUARE-FOOT BUILDING PROVIDES A PLACE FOR PATIENTS, VISITORS, EMPLOYEES AND VOLUNTEERS TO EAT, SOCIALIZE AND PARK UNDER ONE ROOF. AMENITIES INCLUDE A VARIETY OF CASUAL EATERIES AND AN UPGRADE RESTAURANT NAMED TREVISIO. IN ADDITION, TREVISIO OFFERS PRIVATE MEETING AND DINING ROOMS FOR CONFERENCES AND RECEPTIONS. THE AWARD-WINNING BUILDING DESIGN INCLUDES A PAIR OF 64-FOOT WATER WALLS, ADDING BEAUTY TO THE TEXAS MEDICAL CENTER MAIN CAMPUS.

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THE JOHN P. MCGOVERN CAMPUS, AN AWARD WINNING RENOVATION PROJECT OF THE
 FORMER NABISCO BAKERY SITE AT HOLCOMBE BLVD. AND ALMEDA ROAD, SERVES AS A
 GATEWAY TO THE TEXAS MEDICAL CENTER CAMPUSES FROM THE SOUTHEAST. THE
 BUILDING IS HOME TO NOT ONLY TEXAS MEDICAL CENTER STAFF, BUT ALSO
 PROVIDES SIGNIFICANT LEASE SPACE TO ACCOMMODATE THE GROWTH OF MEMBER
 INSTITUTIONS THAT HAVE OUTGROWN THEIR EXISTING FACILITIES. FOR EXAMPLE,
 SEVERAL INSTITUTIONS HAVE RELOCATED RESEARCH LABORATORIES, INFORMATION
 TECHNOLOGY DEPARTMENTS, SCHOOLS, HUMAN RESOURCES DEPARTMENTS, HEALTH
 CLINICS AND OTHER NON-PATIENT CARE DEPARTMENTS TO THIS BURGEONING CAMPUS
 FACILITY. RELOCATING THESE ACTIVITIES TO THE PERIMETER OF THE TEXAS
 MEDICAL CENTER CAMPUS HAS FREED UP SPACE WITHIN THE MAIN CAMPUS FOR MORE
 CRITICAL NEEDS. IN ADDITION, BRINGING MULTIPLE INSTITUTIONS TOGETHER
 UNDER ONE ROOF HELPS NURTURE AND DEVELOP COLLABORATION BETWEEN MEMBER
 ORGANIZATIONS.

TEXAS MEDICAL CENTER OWNS AND OPERATES THE NATIONAL CENTER FOR HUMAN
 PERFORMANCE, LOCATED AT THE JOHN P. MCGOVERN CAMPUS, FOR THE BENEFIT OF
 ITS MEMBER INSTITUTIONS. ORGANIZED IN 2003, THE CENTER IS A COLLABORATIVE
 SCIENTIFIC INSTITUTE WITH A MISSION TO MAINTAIN AND ENHANCE HUMAN
 PERFORMANCE THROUGH THE ETHICAL AND APPROPRIATE APPLICATION OF RESEARCH
 AND EDUCATION IN MEDICINE AND RELATED SCIENCES. IN ADDITION TO FOSTERING
 GROUNDBREAKING RESEARCH, THE ORGANIZATION HAS BEEN ESTABLISHED TO
 COLLECT, ARCHIVE, AND DISSEMINATE INFORMATION ON HUMAN PERFORMANCE.
 THROUGH THE DEVELOPMENT OF COLLABORATIVE PROGRAMS, THE CENTER SERVES TO
 CONNECT SCIENTISTS AND RESEARCHERS WHO ARE INTERESTED IN HUMAN
 PERFORMANCE.

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TEXAS MEDICAL CENTER PUBLISHES ONE OF THE LARGEST CIRCULATION NEWSPAPERS
 IN THE STATE OF TEXAS. TEXAS MEDICAL CENTER NEWS, FOUNDED IN 1979 AND
 PUBLISHED TWICE A MONTH, IS THE ONLY CAMPUS-WIDE NEWSPAPER DEDICATED TO
 REPORTING NEWS AND DEVELOPMENTS FROM THE ENTIRE TEXAS MEDICAL CENTER
 COMMUNITY. THROUGH NEWS ARTICLES, IN-DEPTH FEATURES AND EDITORIALS, THIS
 AWARD-WINNING PUBLICATION KEEPS ITS DIVERSE AUDIENCE OF PHYSICIANS,
 NURSES, EMPLOYEES, PATIENTS, VISITORS, VOLUNTEERS, STUDENTS, FACULTY AND
 OTHER AREA LEADERS ON TOP OF THE VERY LATEST IN WHAT'S NEW AT THE TEXAS
 MEDICAL CENTER, AND AT THE MEMBER INSTITUTIONS. TEXAS MEDICAL CENTER NEWS
 IS DISTRIBUTED FREE OF CHARGE FROM RACKS LOCATED THROUGHOUT THE CAMPUS
 AREA. IN ADDITION, THE NEWSPAPER IS PUBLISHED ONLINE AND HOSTS MORE THAN
 25,000 READERS EACH MONTH. A DISTRIBUTION LIST OF 8,000+ TARGETED
 SUBSCRIBERS PUTS THE NEWSPAPER IN THE HANDS OF LEGISLATORS, HOSPITAL
 ADMINISTRATORS, NEWS MEDIA, HEALTH POLICY MAKERS AND CIVIC, BUSINESS AND
 ACADEMIC LEADERS THROUGHOUT THE STATE.

TEXAS MEDICAL CENTER OWNS AND OPERATES A RESIDENTIAL APARTMENT TOWER IN
 THE HEART OF THE CAMPUS. THE LAURENCE H. FAVROT TOWER APARTMENTS PROVIDE
 AN APARTMENT HOME TO RESIDENTS WHO WORK FOR OR STUDY AT A TEXAS MEDICAL
 CENTER INSTITUTION.

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PROGRAM SERVICE ACTIVITY #1 (CONTINUED)

FORM 990, PART III

IMPROVING ACCESS AND MOBILITY FOR THE TEXAS MEDICAL CENTER

TEXAS MEDICAL CENTER WORKS CLOSELY WITH CITY OF HOUSTON, HARRIS COUNTY

AND METRO (METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY) AND TXDOT

(TEXAS DEPARTMENT OF TRANSPORTATION) OFFICIALS TO COORDINATE IMPROVED

ACCESS TO AND MOVEMENT WITHIN THE TEXAS MEDICAL CENTER CAMPUSES. THIS

INCLUDES COMPREHENSIVE TRAFFIC ANALYSES, INCLUDING COORDINATION OF FUTURE

ROADWAY CONFIGURATIONS, TRAFFIC SIGNAL PLANNING, CONGESTION REDUCTION,

PEDESTRIAN SAFETY, METRO LIGHT RAIL INITIATIVES, BUSES AND OTHER PUBLIC

TRANSPORTATION CONCERNS.

THROUGH WAYFINDING SIGNAGE, MAPS, PRINTED MATERIALS AND GUIDEBOOKS, TEXAS

MEDICAL CENTER HAS BEEN INSTRUMENTAL IN GUIDING THE MORE THAN 160,000

DAILY PATIENTS, VISITORS AND EMPLOYEES AROUND THE CAMPUS TO REACH THEIR

DESIRED DESTINATIONS.

TEXAS MEDICAL CENTER HAS DEVELOPED A MASTER PLAN FOR EXPANDING THE

SKYBRIDGE NETWORK ON THE MAIN CAMPUS WITH CONNECTIONS TO THE GROUND

TRANSPORTATION SYSTEM. A SERIES OF PEDESTRIAN SKY BRIDGES DESIGNED BY

OUR MEMBER INSTITUTIONS ARCH OVER BUSY STREETS WITHIN THE TEXAS MEDICAL

CENTER MAIN CAMPUS, CONNECTING HOSPITALS, CLINIC BUILDINGS, PARKING

GARAGES AND OTHER CAMPUS FACILITIES. PEDESTRIANS MOVE FREELY AND SAFELY

ACROSS THESE BRIDGES TO REACH THEIR DESTINATIONS.

IN ADDITION, TEXAS MEDICAL CENTER HAS BEEN SUCCESSFUL IN FACILITATING AND

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COORDINATING WITH THE CITY OF HOUSTON AND HARRIS COUNTY TO FUND AND BUILD
 BRIDGES ACROSS BRAYS BAYOU ON BOTH BERTNER AVENUE AND CAMBRIDGE STREET
 CREATING MORE SIGNATURE HIGHWAYS IN AND OUT OF THE TEXAS MEDICAL CENTER.
 THE BRIDGE CROSSING THE BAYOU AT CAMBRIDGE PROVIDES EMERGENCY VEHICLES
 WITH A NEW, LESS FLOOD PRONE ROUTE FROM SH 610 TO HOUSTON'S ONLY TWO
 LEVEL 1 TRAUMA CENTERS.

REAL ESTATE AND LAND STEWARDSHIP ACTIVITIES

THE TEXAS MEDICAL CENTER IS NESTLED BETWEEN A VARIETY OF NEIGHBORHOODS,
 RETAIL AND INDUSTRIAL-USE AREAS APPROXIMATELY FIVE MILES SOUTHEAST OF
 DOWNTOWN HOUSTON. THE CAMPUS' ADJOINING NEIGHBORHOODS ARE AS DIVERSE AS
 THE CITY OF HOUSTON IS ITSELF. THE TEXAS MEDICAL CENTER CAMPUS IS
 BORDERED TO THE NORTH BY THE CITY-OWNED HERMANN PARK, TO THE EAST BY
 HIGHWAY 288 AND A VARIETY OF MIXED BUSINESS AND RESIDENTIAL
 NEIGHBORHOODS, TO THE SOUTH BY MULTI-FAMILY HOUSING, INDUSTRIAL AREAS AND
 THE RELIANT SPORTS AND CONFERENCE CENTER COMPLEX AND TO THE WEST BY THE
 RICE UNIVERSITY VILLAGE AND SURROUNDING NEIGHBORHOODS. AS A GOOD
 NEIGHBOR, TEXAS MEDICAL CENTER WORKS WITH SCORES OF SURROUNDING
 NEIGHBORHOOD AND RESIDENT ASSOCIATIONS TO IDENTIFY AND RESOLVE ISSUES OF
 INTEREST TO ALL.

WHAT BEGAN AS A 134-ACRE PURCHASE HAS GROWN TO MORE THAN 1,000 ACRES
 TODAY. THE TEXAS MEDICAL CENTER HAS ENJOYED TREMENDOUS GROWTH TO THE
 SOUTH OF THE CAMPUS IN RECENT YEARS.

INTERNATIONAL GUEST SERVICES

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TEXAS MEDICAL CENTER OFTEN SERVES AS THE INITIAL GATEWAY TO HELP INTRODUCE INTERNATIONAL VISITORS TO THE TEXAS MEDICAL CENTER AND TO THE VARIOUS FACILITIES AND SERVICES ITS MEMBER INSTITUTIONS OFFER. AS A RESULT, TEXAS MEDICAL CENTER PROVIDES SPECIAL SERVICES TO INTERNATIONAL TRAVELERS TO HELP MAKE THEIR VISIT TO THE TEXAS MEDICAL CENTER EASIER AND MORE WELCOMING. FOR EXAMPLE, IN THE AFTERMATH OF SEPT. 11, 2001, VISA REQUIREMENTS HAVE BECOME MORE COMPLICATED FOR INTERNATIONAL PATIENTS ENTERING THE UNITED STATES FOR HEALTH CARE NEEDS. TEXAS MEDICAL CENTER ASSISTS INTERNATIONAL VISITORS WITH VISA APPLICATIONS AND OTHER PAPERWORK TO HELP FACILITATE THEIR ENTRY PERMISSION PROCESS.

IN ADDITION, TEXAS MEDICAL CENTER STAFF SET UP AND FACILITATE TOURS AND MEETINGS FOR INTERNATIONAL HEALTH CARE COLLEAGUES WHO COME FROM AROUND THE WORLD AND WISH TO EXPLORE THE FEASIBILITY OF ESTABLISHING SIMILAR PATIENT CARE, EDUCATIONAL AND RESEARCH CENTERS IN THEIR RESPECTIVE COUNTRIES. OFFICIALS FROM MORE THAN 30 CITIES AROUND THE WORLD HAVE VISITED TO LEARN HOW THE TEXAS MEDICAL CENTER IS ARRANGED AND OPERATED, BUT SO FAR, NO ONE HAS BEEN ABLE TO DUPLICATE IT.

TEXAS MEDICAL CENTER WAS ALSO INSTRUMENTAL IN ESTABLISHING THE TEXAS MEDICAL CENTER VISITORS' CENTER IN THE INTERNATIONAL TERMINAL AT GEORGE BUSH INTERCONTINENTAL AIRPORT, TO GREET AND HELP ORIENT INTERNATIONAL PATIENTS HEADED TO THE TEXAS MEDICAL CENTER. INITIATED IN 2005 AND DEVELOPED IN COOPERATION WITH THE HOUSTON AIRPORT SYSTEM, THE CENTER IS STAFFED BY MORE THAN 20 PEOPLE WHO SPEAK 30 OR MORE DIFFERENT LANGUAGES WITH ADDITIONAL INTERPRETERS ON CALL. CENTER EMPLOYEES GREET

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INTERNATIONAL PATIENTS AT THE PLANE AS INTERPRETERS WHO HELP GUIDE THEM THROUGH CUSTOMS AND LUGGAGE PICK-UP, AS WELL AS HELP ARRANGE TRANSPORTATION TO THE SPECIFIC TEXAS MEDICAL CENTER INSTITUTION NEEDED. IN ADDITION, THE CENTER OFFERS A LOUNGE, TELEPHONES, AND A CHILDREN'S AREA COMPLETE WITH TOYS AND BOOKS.

DEVELOP MEMBER COST SAVINGS THROUGH COMMON ECONOMIES OF SCALE SERVICES

TEXAS MEDICAL CENTER ALSO PROVIDES COST-SAVING COMMON SERVICES THAT DELIVER ECONOMIES OF SCALE TO THE MEMBER INSTITUTIONS. FOR EXAMPLE, TEXAS MEDICAL CENTER WAS INSTRUMENTAL IN DEVELOPING A THERMAL ENERGY COOPERATIVE THAT PROVIDES LOWER-COST UTILITY SERVICES TO TEXAS MEDICAL CENTER MEMBER INSTITUTIONS, AND A HOSPITAL LAUNDRY COOPERATIVE, BOTH WHICH HAVE SPUN OFF TO BECOME TEXAS MEDICAL CENTER MEMBER INSTITUTIONS IN THEIR OWN RIGHT.

ECONOMIC DEVELOPMENT TO ATTRACT ADVANCED MEDICAL TECHNOLOGY TO AREA

SINCE ITS INITIAL CHARTER IN 1945, TEXAS MEDICAL CENTER HAS SOUGHT TO ATTRACT AND RECRUIT NON-PROFIT, ACADEMICALLY ORIENTED INSTITUTIONS DEDICATED TO MEDICAL CARE, HEALTH CARE, EDUCATION AND RESEARCH TO JOIN THE TEXAS MEDICAL CENTER.

TEXAS MEDICAL CENTER INSTITUTIONS COMBINED REPRESENT THE SINGLE LARGEST EMPLOYMENT REGION WITHIN THE GREATER HOUSTON METROPOLITAN AREA. MORE THAN 72,600 PEOPLE WORK AROUND THE CLOCK AS PHYSICIANS, NURSES, EDUCATORS, CLINICAL CAREGIVERS, TECHNICIANS AND OTHER SUPPORT STAFF. TODAY, THE

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TEXAS MEDICAL CENTER IS AS DENSE AS NEW YORK'S WALL STREET, TWICE AS DENSE AS DOWNTOWN HOUSTON, THREE TIMES AS DENSE AS THE HOUSTON GALLERIA AREA, AND THE SAME SIZE AS CHICAGO INSIDE THE LOOP. WITH ITS 48 MEMBER INSTITUTIONS, THE TEXAS MEDICAL CENTER PROVIDES A HEALTHY BOOST TO HOUSTON'S ECONOMY, CONFIRMED BY A REPORT FROM THE FEDERAL RESERVE BANK WHOSE MOST RECENT FIGURES SHOW THE TEXAS MEDICAL CENTER IN A ONE-YEAR PERIOD CONTRIBUTED \$14 BILLION IN HARRIS COUNTY AND THE SURROUNDING REGION.

MASTER PLANNING VISION FOR LONG-TERM GROWTH AND DEVELOPMENT

TEXAS MEDICAL CENTER HAS TAKEN THE LEAD IN DEVELOPING A COMPREHENSIVE 50-YEAR MASTER PLANNED APPROACH TO MANAGING GROWTH CHALLENGES FOR THE CAMPUS OF THE FUTURE. THE PLAN IS A UNIQUE COLLABORATION AMONG TEXAS MEDICAL CENTER'S MEMBER INSTITUTIONS AND NEIGHBORS. BECAUSE CHANGE IN ONE AREA IMPACTS ALL INVOLVED, TEXAS MEDICAL CENTER'S ROLE AS CONVENER OF THE MASTER PLAN ENSURES THAT EVERYONE'S NEEDS ARE TAKEN INTO CONSIDERATION WHEN MAPPING FUTURE GROWTH.

FOR EXAMPLE, ONE OF THE MOST IMPORTANT MASTER PLANNING ROLES TEXAS MEDICAL CENTER HAS PROVIDED DURING THIS DECADE IS LEADERSHIP AND GUIDANCE IN BRINGING TOGETHER MEMBER INSTITUTIONS AND MUNICIPAL, COUNTY AND FEDERAL OFFICIALS IN THE WAKE OF TROPICAL STORM ALLISON, WHICH BROUGHT UNPRECEDENTED FLOODING TO HOUSTON AND THE REGION, INCLUDING THE TEXAS MEDICAL CENTER, IN JUNE 2001. MORE THAN 8 YEARS LATER, THIS EFFORT HAS RESULTED IN SIGNIFICANT REGIONAL FLOOD CONTROL AND AREA MOBILITY AND TRANSPORTATION STUDIES AND IMPROVED UNIFIED EMERGENCY RESPONSE AND STORM

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WATER MANAGEMENT INITIATIVES THAT ARE BENEFITING NOT ONLY THE TEXAS MEDICAL CENTER, BUT SURROUNDING NEIGHBORS AS WELL.

OUR PUBLIC VOICE TO EDUCATE AND ADVOCATE PUBLIC HEALTH ISSUES AND CONCERNS

TEXAS MEDICAL CENTER FULFILLS AN EXTERNAL LEADERSHIP ROLE AS A CATALYST FOR ACTION TO IMPROVE WELLNESS AND QUALITY OF LIFE IN HOUSTON, THE STATE OF TEXAS AND BEYOND. TEXAS MEDICAL CENTER ISSUES CALLS TO ACTION, CALLING UPON CORPORATE, PUBLIC AND CIVIC LEADERS TO ADDRESS CHILD IMMUNIZATION ISSUES, THE HIGH PERCENTAGE OF UNDERINSURED AND UNINSURED CITIZENS, THE PUSH FOR GREATER HEALTH AWARENESS AND OTHER PRESSING HEALTH CONCERNS THAT IMPACT QUALITY OF LIFE AND AREA ECONOMICS. TEXAS MEDICAL CENTER ALSO ASSISTS AREA LEGISLATORS IN ACQUIRING THE INFORMATION THEY NEED ABOUT THE TEXAS MEDICAL CENTER OR ABOUT HEALTH POLICY ISSUES AS THEY HELP TO SHAPE HEALTH POLICY AT THE LOCAL, STATE AND NATIONAL LEVELS.

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PROGRAM SERVICE ACTIVITY #1 (CONTINUED)

FORM 990, PART III

SYNERGIES GREATER THAN SUM OF OUR PARTS

THE TEXAS MEDICAL CENTER IS THE LARGEST MEDICAL CENTER OF ITS KIND IN THE WORLD, BUT THIS "CITY OF HEALTH" IS MORE THAN THE SUM OF ITS INDIVIDUAL MEMBERS. TEXAS MEDICAL CENTER IS A VITAL PART OF THE GLOBAL MEDICAL INFORMATION LOOP, ATTRACTING TOP RESEARCHERS, ACADEMICS AND PHYSICIANS TO THE CAMPUS TO ADVANCE MEDICINE AND PATIENT TREATMENT PROTOCOLS. AS THE KEY CONVENER AND MODERATOR OF SHARED CONCERNS, TEXAS MEDICAL CENTER HELPS SET THE STAGE FOR THE CROSS-POLLINATION OF IDEAS, PROJECTS AND BEST PRACTICES, AND FOSTERS COLLABORATION AMONG TEXAS MEDICAL CENTER MEMBER INSTITUTIONS FOR THE GREATER GOOD OF ADVANCED HEALTH, SCIENCE AND EDUCATION.

PROGRAM SERVICE ACTIVITY #2

FORM 990, PART III

COMMONS MAINTENANCE AND SECURITY

AS THE OWNER OF THE MAIN CAMPUS STREETS AND SIDEWALKS, TEXAS MEDICAL CENTER FUNCTIONS SIMILAR TO A CITY PUBLIC WORKS DEPARTMENT REPRESENTING ALL THE MEMBER INSTITUTIONS. TEXAS MEDICAL CENTER HAS RECENTLY REPLACED NEARLY ALL EXISTING MAIN CAMPUS STREETS, SIDEWALKS AND PUBLIC UTILITIES. TEXAS MEDICAL CENTER'S FACILITY OPERATIONS AND MAINTENANCE DEPARTMENT MAINTAINS THIS INFRASTRUCTURE INCLUDING THE TREES, SHRUBS, FLOWERS,

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WAYFINDING SIGNAGE AND STREET HARDWARE. TEXAS MEDICAL CENTER PROVIDES

SECURITY AND POLICE SERVICES FOR PROPERTY COVERED UNDER THE COMMONS

ASSESSMENT AGREEMENT.

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FAMILY/BUSINESS RELATIONSHIPS WITH OFFICERS, DIRECTORS, TRUSTEES

FORM 990, PART VI, LINE 2

MR. BERNARD L. WEINGARTEN AND MR. ANDREW M. ALEXANDER HAVE A FAMILY RELATIONSHIP.

MR. CHARLES W. HALL AND MR. GIBSON GAYLE JR. SERVE ON THE BOARD OF A NON-PROFIT ORGANIZATION.

MR. ROBERT H. ALLEN, MR. GIBSON GAYLE JR., AND MR. WALLACE S. WILSON SERVE ON THE BOARD OF A TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MR. R. BRUCE LABOON, MR. PATRICK C. OXFORD, AND RICHARD E. WAINERDI, P.E., PH.D. SERVE ON THE BOARD OF A NON-PROFIT ORGANIZATION.

MS. DENISE CASTILLO-RHODES, MS. KATHRYN S. STREAM AND RICHARD E. WAINERDI, P.E., PH.D. SERVE ON THE BOARD OF A TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MRS. ELIZABETH L. GRIST AND RICHARD E. WAINERDI, P.E., PH.D. SERVE ON THE BOARD OF A NON-PROFIT ORGANIZATION.

MR. JOHN T. CATER AND MR. GIBSON GAYLE JR. SERVE ON THE BOARD OF A NON-PROFIT ORGANIZATION.

MR. GIBSON GAYLE JR. AND RICHARD E. WAINERDI, P.E., PH.D. SERVE ON THE BOARD OF A NON-PROFIT ORGANIZATION.

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MR. A. T. BLACKSHEAR JR. AND MR. ROBERT BEAUCHAMP SERVE ON THE BOARD OF A
TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MR. JOHN F. BOOKOUT AND MR. DAVID M. UNDERWOOD SERVE ON THE BOARD OF A
TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MS. LYNN ELSENHANS AND MR. RALPH S. O'CONNER SERVE ON THE BOARD OF A
TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MR. PAUL GERVAIS BELL AND MS. DENISE CASTILLO-RHODES SERVE ON THE BOARD
OF TECO (TEXAS MEDICAL CENTER CENTRAL HEATING AND COOLING SERVICES
CORPORATION). THEY EACH DEVOTED 1 HOUR PER WEEK TO THIS POSITION.

MR. R. BRUCE LABOON AND MR. GEORGE A. PETERKIN JR. SERVE ON THE BOARD OF
A TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MR. R. BRUCE LABOON AND MRS. ROBERT C. LANIER SERVE ON THE BOARD OF A
TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MR. ROBERT G. GREER AND MRS. ROBERT C. LANIER SERVE ON THE BOARD OF A
TEXAS MEDICAL CENTER MEMBER INSTITUTION.

MR. ANDREW M. ALEXANDER AND MR. ROBERT J. CRUIKSHANK HAVE A BUSINESS
RELATIONSHIP.

MR. J. DOWNEY BRIDGWATER AND MR. R. BRUCE LABOON HAVE A BUSINESS
RELATIONSHIP.

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MR. JOHN T. CATER AND MR. ROBERT J. CRUIKSHANK HAVE A BUSINESS
RELATIONSHIP.

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FORM 990, PART VI, GOVERNANCE, MANAGEMENT, AND DISCLOSURE

LINE 10 - 990 REVIEW PROCESS

THE PREPARER REVIEWS THE FORM 990 WITH THE CEO AND CFO. THE 990 IS DISTRIBUTED TO AND REVIEWED BY THE AUDIT COMMITTEE. THE FINAL 990 IS MADE AVAILABLE TO THE BOARD OF DIRECTORS.

LINE 12C - CONFLICT OF INTEREST COMPLIANCE

CONFLICT OF INTEREST STATEMENTS ARE COMPLETED ANNUALLY BY THE BOARD OF DIRECTORS, OFFICERS AND KEY EMPLOYEES. THE STATEMENTS ARE REVIEWED BY THE INTERNAL AUDIT DEPARTMENT. IF A CONFLICT WERE TO ARISE, THE BOARD MEMBER WOULD BE REQUIRED TO DISMISS HIMSELF/HERSELF FROM ANY DISCUSSIONS OR DECISIONS REGARDING THE AREA OF CONFLICT.

LINE 15 - COMPENSATION APPROVAL

COMPENSATION FOR THE PRESIDENT AND CEO, EXECUTIVE VICE PRESIDENT AND THE CHIEF FINANCIAL OFFICER IS APPROVED BY THE BOARD OF DIRECTORS BASED UPON COMPARABILITY DATA OBTAINED FROM AN INDEPENDENT THIRD PARTY. COMPENSATION FOR ALL OTHER POSITIONS IS APPROVED ANNUALLY BY THE PRESIDENT AND CEO. THE TOTAL COMPENSATION BUDGET IS ACCEPTED BY THE EXECUTIVE COMMITTEE AND RATIFIED BY THE BOARD.

LINE 19 - PUBLIC DISCLOSURE OF GOVERNING DOCUMENTS

TEXAS MEDICAL CENTER'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST.

Part V Transactions With Related Organizations

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

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

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

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 (e-r)	(C) Amount involved
(1) TMC HEATING AND COOLING SERVICES CORP.	LINE K	286,420.
(2) TMC HEATING AND COOLING SERVICES CORP.	LINE L	831,993.
(3) TMC HEATING AND COOLING SERVICES CORP.	LINE R	37,160.
(4)		
(5)		
(6)		

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS
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NAME AND ADDRESS -----	DESCRIPTION OF SERVICES	COMPENSATION -----
TELLEPSEN BUILDERS, LP 777 BENMAR, SUITE 400 HOUSTON, TX 77060-3607	CONSTRUCTION	13,534,323.
FONTANA MANAGEMENT INC 6550 BERTNER AVENUE HOUSTON, TX 77030	FOOD SERVICES	1,591,021.
LAS CASCADAS MANAGEMENT COMPANY 6550 BERTNER AVENUE HOUSTON, TX 77030	FOOD SERVICES	1,009,780.
LOCKE LORD BISSELL AND LIDDELL, LLP 600 TRAVIS STREET, SUITE 3400 HOUSTON, TX 77002	LEGAL	733,255.
TEXAS STERLING CONSTRUCTION 20810 FERNBUSH LANE HOUSTON, TX 77073	CONSTRUCTION	2,034,300.
TOTAL COMPENSATION		----- 18,902,679. =====