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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

GMB No 1545-0047

2008

Open to Public
Inspection

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

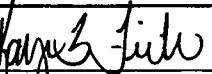
B Check if applicable Address change Name change Initial return Termination Amended return Application pending	C Name of organization TEXAS MEDICAL CENTER Doing Business As Number and street (or P O box if mail is not delivered to street address) 2450 HOLCOMBE BLVD., SUITE 1 City or town, state or country, and ZIP + 4 HOUSTON, TX 77021-2040			D Employer identification number 74-1030788
				E Telephone number (713) 791-6104
				F Gross receipts \$ 166,055,289. H(a) Is this a group return for affiliates? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> H(b) Are all affiliates included? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
				If "No," attach a list. (see instructions)
				G Group exemption number ►
I Tax-exempt status X 501(c) (3) ► (insert no) 4947(a)(1) or 527				K Type of organization X Corporation Trust Association Other ► L Year of formation 1945 M State of legal domicile TX

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3 35	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 29	
	5 Total number of employees (Part V, line 2a)	5 400	
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a 1,239,261.	
	b Net unrelated business taxable income from Form 990-T, line 34	7b -250,329.	
		Prior Year	Current Year
	8 Contribution and grants (Part VIII, line 1h)	398,343.	234,512.
	9 Program service revenue (Part VIII, line 2g)	80,097,293.	83,500,062.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,031,112.	-13,832,726.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	301,928.	28,361.	
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	93,828,676.	69,930,209.	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	532,101.	19,436.	
14 Benefits paid to or for members (Part IX, column (A), line 4)	NONE		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	22,476,540.	26,886,067.	
16a Professional fundraising fees (Part IX, column (A), line 11e)	NONE		
b Total fundraising expenses, Part IX, column (D), line 25) ►	NONE		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	53,346,116.	51,047,059.	
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	76,354,757.	77,952,562.	
19 Revenue less expenses Subtract line 18 from line 12	17,473,919.	-8,022,353.	
	Beginning of Year	End of Year	
20 Total assets (Part X, line 16)	410,559,784.	388,155,699.	
21 Total liabilities (Part X, line 26)	269,068,280.	273,913,163.	
22 Net assets or fund balances Subtract line 21 from line 20	141,491,504.	114,242,536.	

Part II Signature Block

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
		11/3/10	Date
	Signature of officer		
	► RICHARD E. WAINERDI, PRESIDENT CEO COO		
	Type or print name and title		

Paid Preparer's Use Only	Preparer's signature ► 	Date 10/28/10	Check if self-employed ► <input type="checkbox"/>	Preparer's identifying number (see instructions) P00641464
	► PRICENWATERHOUSECOOPERS LLP 125 HIGH STREET BOSTON, MA 02110	EIN ► 13-4008324	Phone no ► 617-530-5000	

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

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

Form 990 (2008)

JSA
BE10102000

45377T 7377

V08-8.3

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Part III Statement of Program Service Accomplishments (see instructions)**1** Briefly describe the organization's missionSEE 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	X	
2	X	
3		X
4	X	
5		
6		X
7		X
8		X
9		X
10	X	
11		
12	X	
13		X
14a		X
b		
15		X
16		X
17		X
18		X
19		X
20		X
21	X	
22		X
23		X
24a		
b		
c		
d		
25a		
b		
26		
27		X

Part IV Checklist of Required Schedules (continued)

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)? If "Yes," complete Schedule L, Part IV
- b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV
- 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? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

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? If "Yes," complete Schedule R, Part I

34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1

35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2

36 **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2

37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI

	Yes	No
28a		X
28b		X
28c	X	
29		X
30		X
31		X
32		X
33		X
34	X	
35		X
36		X
37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

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 Yes No

b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable **1b** NONE Yes No

c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? **1c** X Yes No

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 Yes No

b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **2b** X Yes No

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 Yes No

b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O **3b** X Yes No

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 Yes No

b If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts

5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? **5a** X Yes No

b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? **5b** X Yes No

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** Yes No

6a Did the organization solicit any contributions that were not tax deductible? **6a** X Yes No

b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? **6b** Yes No

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 Yes No

b If "Yes," did the organization notify the donor of the value of the goods or services provided? **7b** Yes No

c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? **7c** X Yes No

d If "Yes," indicate the number of Forms 8282 filed during the year **7d** Yes No

e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? **7e** X Yes No

f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **7f** X Yes No

g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? **7g** X Yes No

h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? **7h** X Yes No

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 Yes No

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** Yes No

b Did the organization make a distribution to a donor, donor advisor, or related person? **9b** Yes No

10 **Section 501(c)(7) organizations.** Enter

a Initiation fees and capital contributions included on Part VIII, line 12 **10a** Yes No

b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities **10b** Yes No

11 **Section 501(c)(12) organizations.** Enter

a Gross income from members or shareholders **11a** Yes No

b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) **11b** Yes No

12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? **12a** Yes No

b If "Yes," enter the amount of tax-exempt interest received or accrued during the year **12b** Yes No

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

		Yes	No
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			
1a	Enter the number of voting members of the governing body	35	
1b	Enter the number of voting members that are independent	29	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13		
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		X
13	Does the organization have a written whistleblower policy?		
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
a	The organization's CEO, Executive Director, or top management official?		
b	Other officers or key employees of the organization?	X	
Describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		X
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. Indicate how you make these available. Check all that apply.
	<input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►DENISE CASTILLO-RHODES 2450 HOLCOMBE BLVD. SUITE 1 HOUSTON, TX 77021-2040 (713) 791-6104

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

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
SEE SCHEDULE J-2					

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

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such *individual*

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such *individual*

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such *person*

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.

1	(A) Name and business address	(B) Description of services	(C) Compensation
	SEE STATEMENT 1		
2	Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ►	20	[REDACTED]

Part VIII Statement of Revenue

74-1030788

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
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.			
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					
6a Gross Rents	(i) Real	(ii) Personal			
b Less rental expenses					
c Rental income or (loss)					
d Net rental income or (loss)					
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less cost or other basis and sales expenses	76,010,753.	16,725.			
c Gain or (loss)	96,097,047.	28,033.			
d Net gain or (loss)	-20,086,294.	-11,308.			
			-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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the 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 FOOD SERVICE EXPENSES -----	3,833,551.	3,833,551.		
b FACILITIES MAINTENANCE -----	5,662,382.	5,506,878.	155,504.	
c TRANSPORTATION AGREEMENTS -----	1,614,134.	1,614,134.		
d SECURITY AGREEMENTS -----	1,163,864.	1,147,128.	16,736.	
e PARKING MAINTENANCE -----	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.		
	b Less. accumulated depreciation Complete Part VI of Schedule D	10b 128,993,729.	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		

**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

Employer identification number

TEXAS MEDICAL CENTER

74-1030788

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	<input type="checkbox"/> A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i) .
2	<input type="checkbox"/> A school described in section 170(b)(1)(A)(ii) . (Attach Schedule E)
3	<input type="checkbox"/> A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii) . (Attach Schedule H)
4	<input type="checkbox"/> 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	<input type="checkbox"/> 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	<input type="checkbox"/> A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v) .
7	<input type="checkbox"/> 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	<input type="checkbox"/> A community trust described in section 170(b)(1)(A)(vi) . (Complete Part II)
9	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> An organization organized and operated exclusively to test for public safety See section 509(a)(4) . (see instructions)
11	<input type="checkbox"/> 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 <input type="checkbox"/> Type I b <input type="checkbox"/> Type II c <input type="checkbox"/> Type III - Functionally Integrated d <input type="checkbox"/> Type III - Other
e	<input type="checkbox"/> 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 <input type="checkbox"/>
g	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
	(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? <input type="checkbox"/>
	(ii) A family member of a person described in (i) above? <input type="checkbox"/>
	(iii) A 35% controlled entity of a person described in (i) or (ii) above? <input type="checkbox"/>
h	Provide the following information about the organizations the organization supports

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

Schedule A (Form 990 or 990-EZ) 2008

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10 . . .						
12 Gross receipts from related activities, etc (See instructions)						12
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

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

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 ► <input checked="" type="checkbox"/>		
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 ► <input checked="" type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

Part IV 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

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

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

A Check if the filing organization belongs to an affiliated group.

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (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.		
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
2a 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.

	(a)		(b)	
	Yes	No	Amount	
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
a Volunteers?				
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?				
c Media advertisements?				
d Mailings to members, legislators, or the public?				
e Publications, or published or broadcast statements?				
f Grants to other organizations for lobbying purposes?				
g Direct contact with legislators, their staffs, government officials, or a legislative body?				
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?				
i Other activities? If "Yes," describe in Part IV				
j Total lines 1c through 1i				
2 a 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.

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

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

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

Part IV Supplemental Information

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

Part IV Supplemental Information (continued)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

2008Open to Public
Inspection

Name of the organization

TEXAS MEDICAL CENTER

Employer identification number

74-1030788

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/>	Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?	<input type="checkbox"/>	Yes <input type="checkbox"/> No

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

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

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically important land area
 Protection of natural habitat Preservation of certified historic structure
 Preservation of open space

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

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

a Total number of conservation easements

b Total acreage restricted by conservation easements

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

d Number of conservation easements included in (c) acquired after 8/17/06

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4 Number of states where property subject to conservation easement is located ► _____

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

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► _____

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

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

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

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

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

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

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

a <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other _____
c <input type="checkbox"/> Preservation for future generations	

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
1c	
1d	
1e	
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

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

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

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other _____		

Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ►

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 13) ►

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

Total. (Column (b) should equal Form 990, Part X, col (B) line 15)

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

(a) Description of liability	(b) Amount
Federal income taxes	
INTEREST RATE SWAP AGREEMENTS	13,454,210.
PENSION LIABILITY	5,708,420.

In Part XIV, enclose the text of the footnote to the organization's financial statement.

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

Part XI Reconciliation of Change in Net Assets from Form 990 to 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 FUNDSFORM 990, SCHEDULE D, PART V, LINE 4ENDOWMENTS ARE USED FOR ACTIVITIES RELATED TO THE TREATMENT AND CARE OFCANCER PATIENTS, STUDIES OF TUBERCULOSIS, CONGENITAL CARDIOVASCULARDISEASE EDUCATION AND RESEARCH, A LECTURE SERIES ON MEDICAL ETHICS, ANDFOR GENERAL PURPOSES, INCLUDING EXPENSES TO IMPLEMENT NEW COOPERATIVEPROJECTS INVOLVING SEVERAL INSTITUTIONS FOR THE BENEFIT OF THE MEDICALCENTER AS A WHOLE.UNCERTAIN TAX POSITIONSFORM 990, SCHEDULE D, PART XAS OF DECEMBER 31, 2008 AND 2007, THE IMPACT OF FIN 48 ON THECORPORATION'S FINANCIAL STATEMENTS IS NOT SIGNIFICANT.OTHER CHANGES IN NET ASSETSFORM 990, SCHEDULE D, PART XI, LINE 8LOSS ON EARLY EXTINGUISHMENT OF DEBT (\$3,130,651)PENSION RELATED CHANGES OTHER THANNET PERIODIC PENSION COST (\$2,224,558)

Part XIV Supplemental Information (continued)OTHER REVENUE INCLUDED ON BOOKS BUT NOT ON RETURNFORM 990, SCHEDULE D, PART XII, LINE 2DTMC ANNUAL ASSESSMENT CONTRIBUTION \$32,242OTHER EXPENSES INCLUDED ON BOOKS BUT NOT ON RETURNFORM 990, SCHEDULE D, PART XIII, LINE 2DTMC ANNUAL ASSESSMENT CONTRIBUTION \$32,242

Part III Grants and Other Assistance to Individuals in the United States Schedule I-1 (Form 990) if additional space is needed

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.

Part IV

PROCEDURE FOR MONITORING USE OF GRANT FUNDS IN THE U.S.

EOBM 990 SCHEDULE T PABT T LINE 2

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SCHEDULE J
(Form 990)**Compensation Information**

OMB No 1545-0047

Department of the Treasury
Internal Revenue ServiceFor certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

2008

► Attach to Form 990. To be completed by organizations
that answered "Yes" to Form 990, Part IV, line 23.Open to Public
Inspection

Name of the organization

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 type="checkbox"/>	Written employment contract
<input checked="" type="checkbox"/>	Independent compensation consultant	<input type="checkbox"/>	Compensation survey or study
<input type="checkbox"/>	Form 990 of other organizations	<input 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				
RICHARD E WAINERDI	(i) 719,149.	---	NONE	31,981.	209,651.	18,529.	979,324.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
ROBERT STOTT	(i) 225,701.	---	NONE	51,056.	12,202.	20,509.	309,468.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
JOYCE H CAMP	(i) 155,429.	---	NONE	41,591.	9,129.	18,549.	224,698.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
PATRICIA C MITCHELL	(i) 143,602.	---	NONE	42,145.	8,517.	18,442.	212,706.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
DENISE CASTILLO-RHODES	(i) 233,579.	---	NONE	16,929.	32,202.	17,351.	309,061.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
GARY E ELLISON	(i) 136,733.	---	NONE	41,713.	7,729.	17,507.	203,682.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
EVELYN F HEIM-GRUBB	(i) 110,725.	---	NONE	25,898.	6,677.	19,205.	162,505.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
AKBAR TAVANGARIAN	(i) 102,067.	---	NONE	32,538.	5,633.	16,873.	157,111.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
HARRY D HOLMES	(i) 101,163.	---	NONE	40,351.	5,043.	16,414.	162,971.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
JOHN KAJANDER	(i) 160,325.	---	NONE	31,148.	9,133.	18,893.	219,492.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
BASSEM ABI NASSIF	(i) 128,859.	---	NONE	10,392.	1,566.	16,873.	157,690.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
ALYNE ASSUNTO	(i) 115,391.	---	NONE	21,571.	7,165.	16,826.	160,953.
	(ii) NONE	---	NONE	NONE	NONE	NONE	NONE
(i)	---	---	---	---	---	---	---
(ii)	---	---	---	---	---	---	---
(iii)	---	---	---	---	---	---	---
(iv)	---	---	---	---	---	---	---
(v)	---	---	---	---	---	---	---
(vi)	---	---	---	---	---	---	---

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)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the Organization

TEXAS MEDICAL CENTER

Employer Identification number

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	Officer	Institutional trustee	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
ROBERT H ALLEN DIRECTOR	1.	X					NONE	NONE
THOMAS D BARROW PHD DIRECTOR	1.	X					NONE	NONE
ROBERT E BEAUCHAMP DIRECTOR	1.	X					NONE	NONE
PAUL GERVAIS BELL DIRECTOR	1.	X					NONE	NONE
A T BLACKSHEAR JR DIRECTOR	1.	X					NONE	NONE
JACK S BLANTON DIRECTOR	1.	X					NONE	NONE
JOHN F BOOKOUT DIRECTOR	1.	X					NONE	NONE
J DOWNEY BRIDGWATER DIRECTOR	1.	X					NONE	NONE
ALAN R BUCKWALTER III DIRECTOR	1.	X					NONE	NONE
PHILIP J CARROLL DIRECTOR	1.	X					NONE	NONE
JOHN T CATER DIRECTOR	1.	X					NONE	NONE
ANTHONY R CHASE DIRECTOR	1.	X					NONE	NONE
H SCOTT CAVEN JR DIRECTOR	1.	X					NONE	NONE
O HOLCOMBE CROSSWELL VICE CHAIRMAN	1.	X					NONE	NONE
ROBERT J CRUIKSHANK DIRECTOR	1.	X					NONE	NONE
LYNN ELSENHANS DIRECTOR	1.	X					NONE	NONE
GIBSON GAYLE JR DIRECTOR	1.	X					NONE	NONE
ELIZABETH L GHRIST DIRECTOR	1.	X					NONE	NONE
ROBERT G GREER DIRECTOR	1.	X					NONE	NONE

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

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Schedule J-2 (Form 990) 2008

**SCHEDULE J-2
(Form 990)**Department of the Treasury
Internal Revenue Service**Continuation Sheet for Form 990**

OMB No 1545-0047

2008**Open to Public
Inspection**

Name of the Organization

TEXAS MEDICAL CENTER

Employer identification number

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
		or director	Individual trustee	Institutional trustee	Officer	Key employee			
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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Continuation Sheet for Form 990

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

Supplemental Information on Tax-Exempt Bonds

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

Name of the organization

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
A HARRIS COUNTY CULTURAL EDUCATION FACILI. FIN. CORP.	76-0337885	414010A88	12/01/2008	55,700,000.	REFUND PRIOR ISSUE 4/19/06	Yes	No
B HARRIS COUNTY CULTURAL EDUCATION FACILI. FIN. CORP.	76-0337885	414010A86	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
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?	Yes	No	Yes	No	Yes
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
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes
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

Schedule K (Form 990) 2008

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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 O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

TEXAS MEDICAL CENTER

Employer identification number

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

TEXAS MEDICAL CENTER

Employer identification number

74-1030788

PROGRAM SERVICE ACTIVITY #1FORM 990, PART IIISERVICES 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

Name of the organization

TEXAS MEDICAL CENTER

Employer identification number

74-1030788

--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 CONCERN

--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 MEDICAL 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 UPSCALE 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 IIIIMPROVING ACCESS AND MOBILITY FOR THE TEXAS MEDICAL CENTERTEXAS MEDICAL CENTER WORKS CLOSELY WITH CITY OF HOUSTON, HARRIS COUNTYAND METRO (METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY) AND TXDOT(TEXAS DEPARTMENT OF TRANSPORTATION) OFFICIALS TO COORDINATE IMPROVEDACCESS TO AND MOVEMENT WITHIN THE TEXAS MEDICAL CENTER CAMPUSES. THISINCLUDES COMPREHENSIVE TRAFFIC ANALYSES, INCLUDING COORDINATION OF FUTUREROADWAY CONFIGURATIONS, TRAFFIC SIGNAL PLANNING, CONGESTION REDUCTION,PEDESTRIAN SAFETY, METRO LIGHT RAIL INITIATIVES, BUSES AND OTHER PUBLICTRANSPORTATION CONCERNs.THROUGH WAYFINDING SIGNAGE, MAPS, PRINTED MATERIALS AND GUIDEBOOKS, TEXASMEDICAL CENTER HAS BEEN INSTRUMENTAL IN GUIDING THE MORE THAN 160,000DAILY PATIENTS, VISITORS AND EMPLOYEES AROUND THE CAMPUS TO REACH THEIRDESIRED DESTINATIONS.TEXAS MEDICAL CENTER HAS DEVELOPED A MASTER PLAN FOR EXPANDING THESKYBRIDGE NETWORK ON THE MAIN CAMPUS WITH CONNECTIONS TO THE GROUNDTRANSPORTATION SYSTEM. A SERIES OF PEDESTRIAN SKY BRIDGES DESIGNED BYOUR MEMBER INSTITUTIONS ARCH OVER BUSY STREETS WITHIN THE TEXAS MEDICALCENTER MAIN CAMPUS, CONNECTING HOSPITALS, CLINIC BUILDINGS, PARKINGGARAGES AND OTHER CAMPUS FACILITIES. PEDESTRIANS MOVE FREELY AND SAFELYACROSS 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 CONCERN

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

CONCERN 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 IIISYNERGIES GREATER THAN SUM OF OUR PARTSTHE TEXAS MEDICAL CENTER IS THE LARGEST MEDICAL CENTER OF ITS KIND IN THEWORLD, BUT THIS "CITY OF HEALTH" IS MORE THAN THE SUM OF ITS INDIVIDUALMEMBERS. TEXAS MEDICAL CENTER IS A VITAL PART OF THE GLOBAL MEDICALINFORMATION LOOP, ATTRACTING TOP RESEARCHERS, ACADEMICS AND PHYSICIANS TOTHE CAMPUS TO ADVANCE MEDICINE AND PATIENT TREATMENT PROTOCOLS. AS THEKEY CONVENER AND MODERATOR OF SHARED CONCERNs, TEXAS MEDICAL CENTER HELPSSET THE STAGE FOR THE CROSS-POLLINATION OF IDEAS, PROJECTS AND BESTPRACTICES, AND FOSTERS COLLABORATION AMONG TEXAS MEDICAL CENTER MEMBERINSTITUTIONS FOR THE GREATER GOOD OF ADVANCED HEALTH, SCIENCE ANDEDUCATION.PROGRAM SERVICE ACTIVITY #2FORM 990, PART IIICOMMONS MAINTENANCE AND SECURITYAS THE OWNER OF THE MAIN CAMPUS STREETS AND SIDEWALKS, TEXAS MEDICALCENTER FUNCTIONS SIMILAR TO A CITY PUBLIC WORKS DEPARTMENT REPRESENTINGALL THE MEMBER INSTITUTIONS. TEXAS MEDICAL CENTER HAS RECENTLY REPLACEDNEARLY ALL EXISTING MAIN CAMPUS STREETS, SIDEWALKS AND PUBLIC UTILITIES.TEXAS MEDICAL CENTER'S FACILITY OPERATIONS AND MAINTENANCE DEPARTMENTMAINTAINS THIS INFRASTRUCTURE INCLUDING THE TREES, SHRUBS, FLOWERS,

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WAYFINDING SIGNAGE AND STREET HARDWARE. TEXAS MEDICAL CENTER PROVIDESSECURITY AND POLICE SERVICES FOR PROPERTY COVERED UNDER THE COMMONSASSESSMENT AGREEMENT.

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FAMILY/BUSINESS RELATIONSHIPS WITH OFFICERS, DIRECTORS, TRUSTEESFORM 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 DISCLOSURELINE 10 - 990 REVIEW PROCESSTHE PREPARER REVIEWS THE FORM 990 WITH THE CEO AND CFO. THE 990 ISDISTRIBUTED TO AND REVIEWED BY THE AUDIT COMMITTEE. THE FINAL 990 ISMADE AVAILABLE TO THE BOARD OF DIRECTORS.LINE 12C - CONFLICT OF INTEREST COMPLIANCECONFLICT OF INTEREST STATEMENTS ARE COMPLETED ANNUALLY BY THE BOARD OFDIRECTORS, OFFICERS AND KEY EMPLOYEES. THE STATEMENTS ARE REVIEWED BYTHE INTERNAL AUDIT DEPARTMENT. IF A CONFLICT WERE TO ARISE, THE BOARDMEMBER WOULD BE REQUIRED TO DISMISS HIMSELF/HERSELF FROM ANY DISCUSSIONSOR DECISIONS REGARDING THE AREA OF CONFLICT.LINE 15 - COMPENSATION APPROVALCOMPENSATION FOR THE PRESIDENT AND CEO, EXECUTIVE VICE PRESIDENT AND THECHIEF FINANCIAL OFFICER IS APPROVED BY THE BOARD OF DIRECTORS BASED UPONCOMPARABILITY DATA OBTAINED FROM AN INDEPENDENT THIRD PARTY. COMPENSATIONFOR ALL OTHER POSITIONS IS APPROVED ANNUALLY BY THE PRESIDENT AND CEO.THE TOTAL COMPENSATION BUDGET IS ACCEPTED BY THE EXECUTIVE COMMITTEE ANDRATIFIED BY THE BOARD.LINE 19 - PUBLIC DISCLOSURE OF GOVERNING DOCUMENTSTEXAS MEDICAL CENTER'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICYAND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST.

Part III Identification of Related Organizations Taxable as a Partnership

Identification of Related Organizations Taxable as a Partnership

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

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?

- a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b Gift, grant, or capital contribution to other organization(s)
- c Gift, grant, or capital contribution from other organization(s)
- d Loans or loan guarantees to or for other organization(s)
- e Loans or loan guarantees by other organization(s)

		Yes	No
1a		X	
1b		X	
1c		X	
1d		X	
1e		X	
1f		X	
1g		X	
1h		X	
1i		X	
1j		X	
1k		X	
1l		X	
1m		X	
1n		X	
1o		X	
1p		X	
1q		X	
1r		X	
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds			
(A) Name of other organization(s)		(B) Transaction type (a-r)	(C) Amount involved
(1) 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)			

Part VI Unrelated Organizations Taxable as a Partnership

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

Schedule R (Form 990) 2008

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

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
TELLEPSSEN 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.