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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

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 11-01-2008 and ending 10-31-2009

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1000 S BECKHAM AVE

City or town, state or country, and ZIP + 4
TYLER, TX 75701

D Employer identification number
75-1803327

E Telephone number
(903) 531-8920

G Gross receipts $ 76,801,889

F Name and address of principal officer
ELMER ELLIS PRESIDENT
1000 S BECKHAM AVE
TYLER,TX 75701

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW ETMC ORG

K Type of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1981

M State of legal domicile TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ETMC SYSTEM PROVIDES OVERALL MANAGEMENT AND SUPPORT TO THE ENTITIES THAT COMPRISE ETMC

2 Check this box ▶ ☐ 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**	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	3
5	Total number of employees (Part V, line 2a)	**5**	0
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	**7a**	1,904,456
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	265,100	2,105,783
9	Program service revenue (Part VIII, line 2g)	62,170,025	73,149,129
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,479,669	1,470,796
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	70,914,794	76,725,708
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,332,873	8,924,100
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	27,463,471	34,185,280
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	62,122,169	56,148,364
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	92,918,513	99,257,744
19	Revenue less expenses Subtract line 18 from line 12	-22,003,719	-22,532,036
Net Assets or Fund Balances		**Beginning of Year**	**End of Year**
20	Total assets (Part X, line 16)	630,246,246	702,676,672
21	Total liabilities (Part X, line 26)	749,445,071	816,188,914
22	Net assets or fund balances Subtract line 21 from line 20	-119,198,825	-113,512,242

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2010-09-14

▶ BYRON HALE CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Steve Schoonmaker	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PRICEWATERHOUSECOOPERS LLP 301 COMMERCE STREET SUITE 2350 FORT WORTH, TX 76102			EIN ▶ Phone no ▶ (817) 810-9998

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

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

1 Briefly describe the organization's mission

ETMC SYSTEM PROVIDES OVERALL MANAGEMENT AND SUPPORT TO THE ENTITIES THAT COMPRISE ETMC THE PURPOSE OF THE ORGANIZATION IS TO ORGANIZE, PLAN, DEVELOP, COORDINATE AND DIRECT A COMPLEX, FULL-SERVICE REGIONAL HEALTHCARE OPERATION, AS WELL AS MANAGE, MAINTAIN, AND LEASE ALL LAND, BUILDINGS, AND IMPROVEMENTS OF THE HEALTHCARE SYSTEM THIS ENSURES CONSISTENT QUALITY THROUGHOUT THE SYSTEM

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 $ 76,874,886 including grants of $ 8,924,100) (Revenue $ 0)

East Texas Medical Center Regional Helthcare System (the "System") is the parent company which wholly-owns and operates 25-subsidiary organizations that operate primarily in Texas The system is headquartered in Tyler, Texas and its operations extends in all directions from Tyler, in an approximate 100-mile radius The System consists of 14-hospitals, over 100 employed physicians, other healthcare services such as cancer treatment and home health, as well as other operations that include emergency medical services, a third party administrator, and a preferred provider organization

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 76,874,886 *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
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* .	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
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*	**34**	Yes	
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*	**35**		No
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*	**36**		No
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*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	146		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
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	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
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			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			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			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			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and 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			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			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			No
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

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

Section A. Governing Body and Management

			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 . .	1a 7		
b	Enter the number of voting members that are independent . .	1b 3		
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?	2	Yes	
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? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a	Yes	
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?	9b	Yes	
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	10	Yes	
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	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
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?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	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?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

SUZANNE EDWARDS
1417 S BECKHAM AVE
TYLER, TX 75701
(903) 531-8920

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, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		☒ Individual	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ELMER G ELLIS PRESIDENT/CEO & DIRECTOR	40 0	X		X				1,617,437	0	35,055
STEPHEN RYDZAK MD DIRECTOR	40 0	X						0	657,001	8,779
RON DONALDSON MD DIRECTOR	12 0	X						0	1,200	0
BG HARTLEY DIRECTOR	12 0	X						0	0	0
JAMES WYNNE DIRECTOR	12 0	X						0	0	0
LARRY DURRETT DIRECTOR	12 0	X						0	0	0
WADE RIDLEY DIRECTOR	12 0	X						0	0	0
BYRON HALE SR VICE PRESIDENT/CFO	40 0			X				449,142	0	28,677
FREDDIE SANCHEZ VP MATERIAL MANAGEMENT	40 0				X			292,926	136,427	18,986
PAULA ANTHONY VP INFORMATION TECHNOLOGY	40 0				X			285,553	0	23,238
MIKE THOMAS VP PUBLIC AFFAIRS	40 0				X			281,815	0	25,459
MIKE GRAY VP HUMAN RESOURCES	40 0				X			267,991	0	22,527
JERRY MASSEY SR VP AFFILIATE OPERATIONS	40 0					X		347,374	0	26,293
KIM PEARSON-WAHL VP MSO	40 0					X		282,134	0	13,399
DAVID BROTZMAN DIR INFORMATION TECHNOLOGY	40 0					X		261,306	0	11,508
ROBERT LAYTON DIRECTOR PLANT SERVICES	40 0					X		212,871	0	14,065
ROBERT HAMPTON VP PROPERTY SERVICES	40 0					X		195,887	0	14,809

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)	(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		☒ Individual Trustee / Institutional Trustee / Officer / Key employee / Highest compensated employee / Former			
1b Total ▶			4,494,436	794,628	242,795

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 32

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		No
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*	Yes	
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*		No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
RPR CONSTRUCTION CO INC 301 SSE LOOP 323 TYLER, TX 75702	CONSTRUCTION	6,879,617
HGA PO BOX 86 MINNEAPOLIS, MN 55486	CONSTRUCTION	3,527,752
HOSPITAL HOUSEKEEPING PO BOX 826 SAN ANTONIO, TX 78293	HOUSEKEEPING	1,353,077
FITZPATRICK BUTLER 1510 VINE AVE TYLER, TX 75701	CONSTRUCTION	554,881
K K PO BOX 131288 TYLER, TX 75713	CONSTRUCTION	521,915

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 10

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,105,783			
	g	Noncash contributions included in lines 1a-1f $ _____					
	h	**Total.** Add lines 1a-1f		2,105,783			
Program Service Revenue			Business Code				
	2a	MANAGEMENT SERVICE		43,249,215	43,249,215		
	b	RENT	900,003	19,862,073	19,663,570	198,503	
	c	BIO-MEDICAL SVCS	621,500	2,542,986	2,504,702	38,284	
	d	MANAGEMENT FEE	561,000	6,319,835	5,381,123	938,712	
	e	DIRECT EXP CHARGED		666,163	666,163		
	f	All other program service revenue		508,857	333,362	175,495	
	g	**Total.** Add lines 2a–2f		73,149,129			
	3	Investment income (including dividends, interest and other similar amounts)		1,529,677	0	553,462	976,215
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		17,300			
	b	Less cost or other basis and sales expenses		76,181			
	c	Gain or (loss)		-58,881			
	d	Net gain or (loss)		-58,881	0	0	-58,881
Other Revenue	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		0			
	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		0			
	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		0			
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		0			
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		76,725,708	71,798,135	1,904,456	917,334

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	8,924,100	8,924,100		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	4,657,420		4,657,420	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	18,622,169	15,213,033	3,409,136	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,293,330	2,630,510	662,820	
9	Other employee benefits	6,121,110	4,854,372	1,266,738	
10	Payroll taxes	1,491,251	1,171,923	319,328	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	2,280,419	1,824,335	456,084	
c	Accounting	962,180	769,744	192,436	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17*	0			
f	Investment management fees	0			
g	Other	7,315,217	5,965,115	1,350,102	
12	Advertising and promotion	4,906,995	3,927,576	979,419	
13	Office expenses	644,653	531,562	113,091	
14	Information technology	0			
15	Royalties	0			
16	Occupancy	4,447,572	3,585,379	862,193	
17	Travel	379,304	295,455	83,849	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	90,486	69,400	21,086	
20	Interest	10,234,836	8,187,869	2,046,967	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	16,484,623	13,362,886	3,121,737	
23	Insurance	678,289	535,901	142,388	
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	EQUIPMENT RENTAL & MAINT	1,732,505	1,391,277	341,228	
b	HOUSEKEEPING	1,666,453	1,337,120	329,333	
c	MANAGEMENT FEES	1,468,435	0	1,468,435	
d	MINOR EQUIPMENT	806,535	648,744	157,791	
e	SUPPLIES	713,914	574,231	139,683	
f	All other expenses	1,335,948	1,074,354	261,594	
25	**Total functional expenses.** Add lines 1 through 24f	99,257,744	76,874,886	22,382,858	0
26	**Joint Costs.** Check here ▶ ☐ 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		5,492,577	1	5,437,118
	2	Savings and temporary cash investments		161,464,561	2	189,597,657
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		12,654	4	3,083
	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			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		854,552	9	981,050
	10a	Land, buildings, and equipment cost basis	10a 550,136,556			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 298,386,173	185,933,539	10c	251,750,383
	11	Investments—publicly traded securities		1,407	11	1,407
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		276,486,956	15	254,905,974
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		630,246,246	16	702,676,672
Liabilities	17	Accounts payable and accrued expenses		32,532,916	17	33,136,597
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		283,865,000	20	279,745,000
	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		26,794,910	23	32,545,373
	24	Unsecured notes and loans payable			24	
	25	Other liabilities Complete Part X of Schedule D		406,252,245	25	470,761,944
	26	**Total liabilities.** Add lines 17 through 25		749,445,071	26	816,188,914
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-119,198,825	27	-113,512,242
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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		-119,198,825	33	-113,512,242
	34	Total liabilities and net assets/fund balances		630,246,246	34	702,676,672

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990	☐ Cash ☑ Accrual ☐ Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b		No
c	If "Yes" to 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		
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		No
b	If "Yes," did the organization undergo the required audit or audits?		3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1 ☐ A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i).**

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **Section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 331/3% 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 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (See instructions)

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **Section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☑ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		No
(ii) a family member of a person described in (i) above? **11g(ii)**		No
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		No

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (See Instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
See Additional Data Table									
Total									76,874,886

Part II **Support Schedule for Organizations Described in IRC 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.)

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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

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** ▶

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 for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

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

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

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

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

19a **33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ☐

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

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 75-1803327
Name: EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
MANAGEMENT SERVICE		43,249,215	43,249,215		
RENT	900,003	19,862,073	19,663,570	198,503	
BIO-MEDICAL SVCS	621,500	2,542,986	2,504,702	38,284	
MANAGEMENT FEE	561,000	6,319,835	5,381,123	938,712	
DIRECT EXP CHARGED		666,163	666,163		

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
EQUIPMENT RENTAL & MAINT	1,732,505	1,391,277	341,228	
HOUSEKEEPING	1,666,453	1,337,120	329,333	
MANAGEMENT FEES	1,468,435	0	1,468,435	
MINOR EQUIPMENT	806,535	648,744	157,791	
SUPPLIES	713,914	574,231	139,683	

Additional Data

Software ID:
Software Version:
EIN: 75-1803327
Name: EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
ETMC	751803325	03	Yes		Yes		Yes		0
ETMC CANCER INSTITUTE	751803329	03	Yes		Yes		Yes		0
ETMC REHABILITATION HOSPITAL	752599215	03	Yes		Yes		Yes		0
ETMC HOME SERVICES	752503960	09	Yes		Yes		Yes		0
EAST TEXAS REGIONAL COOPERATIVE	752627236	03	Yes		Yes		Yes		0
ETMC SPECIALTY HOSPITAL	752547158	03	Yes		Yes		Yes		0
ETMC HEALTHCARE ASSOCIATES	752605821	09	Yes		Yes		Yes		0
ETMC - ATHENS	751854562	03	Yes		Yes		Yes		0
ETMC - CARTHAGE	752735077	03	Yes		Yes		Yes		0
ETMC - CLARKSVILLE	752638020	03	Yes		Yes		Yes		0
ETMC - CROCKETT	752602621	03	Yes		Yes		Yes		0
ETMC - FAIRFIELD	752753454	03	Yes		Yes		Yes		0
ETMC - GILMER	200079162	03	Yes		Yes		Yes		0
ETMC - JACKSONVILLE	752715084	03	Yes		Yes		Yes		0
ETMC - MOUNT VERNON	752250730	03	Yes		Yes		Yes		0
ETMC - TRINITY	752715898	03	Yes		Yes		Yes		0
ETMC - PITTSBURG	751919624	03	Yes		Yes		Yes		0
ETMC - QUITMAN	752766160	03	Yes		Yes		Yes		0
ETMC - HENDERSON	264123728	03	Yes		Yes		Yes		0

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

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

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

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

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

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

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

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly 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
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the 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 ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

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

Part IV Trust, Escrow and Custodial Arrangements. Complete if the 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 why in Part XIV and complete the following table

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

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

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

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

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

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	0		0
b Buildings	0	253,585,438	144,186,668	109,398,770
c Leasehold improvements	0	32,777,186	2,396,004	30,381,182
d Equipment	0	64,580,814	51,579,689	13,001,125
e Other	0	199,193,118	100,223,812	98,969,306
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				251,750,383

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		
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.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

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

(a) Description	(b) Book value
See Additional Data Table	
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	254,905,974

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
DUE TO AFFILIATES	449,763,333
MALPRACTICE COSTS	9,927,711
CAPITAL LEASES	4,035,651
PENSION RESTORATION PLAN	7,035,249
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	470,761,944

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 75-1803327
Name: EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
DUE FROM LEASED HOSPITALS	106,155,607
MISCELLANEOUS RECEIVABLES	175,380
NOTES REC ETMCRHF SERVICES	13,853,312
ACCRUED INTEREST	0
LAKE STREET RRG ASSET	2,595,238
SIR INSURANCE PLAN	8,582,473
PA DIRECT EXPENSES RECEIVABLE	24,233,820
PA ADMIN EXPENSES RECEIVABLE	16,796,291
DEFERRED FINANCING COSTS	3,579,531
PENSION RESTORATION PLAN	0
CD COLLATERLIZED FROM PMP	1,687,406
2007 DEBT SERVICE	75,103,520
EMPLOYEE HEALTH ACCOUNT	2,010,300
DUE FROM OTHER HOSPITALS	133,096

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . . . ▶ ☐

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AMERICAN CANCER SOCIETY1301 S BROADWAY TYLER,TX 75701	74-1185665	501(C)(3)	12,500	0	FMV	N/A	
TYLER ECONOMIC DEVELOPMENTPO BOX 2004 TYLER,TX 75710	75-2254467	N/A	25,000	0	FMV	N/A	
CANCER FOUNDATIONPO BOX 8257 TYLER,TX 75711		501(C)(3)	25,000	0	FMV	N/A	
MISCELLANEOUS CONTRIBUTIONS1000 SOUTH BECKHAM AVENUE TYLER,TX 75701	75-1803327	501(C)(3)	111,600	0	FMV	N/A	
ETMC - TRINITYPO BOX 471 TRINITY,TX 75862	75-2715898	501(C)(3)	3,050,000	0	FMV	N/A	
ETMC - FAIRFIELD1301 S BROADWAY TYLER,TX 75701	75-2753454	501(C)(3)	5,700,000	0	FMV	N/A	

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 3

3 Enter total number of other organizations . . . . . ▶ 0

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

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

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

See Additional Data Table

Identifier	Return Reference	Explanation
SCHEDULE I	PART I, LINE 2	SENIOR MANAGEMENT WILL REVIEW THE NEEDS AND GIVE APPROVAL TO SUPPORT A VARIETY OF AGENCIES, SERVICE ORGANZIATIONS AND PROJECTS RELATED TO MEETING HEALTH AND HUMAN SERVICE NEEDS FOR TYLER AND EAST TEXAS, AS WELL AS THOSE CONTRIBUTING TO OVERALL QUALITY OF LIFE FOR THE COMMUNITY CONTRIBUTIONS WERE MADE IN TERMS OF FINANCIAL AND IN-KIND DONATIONS, AGENCIES AND ORGANIZATIONS SUPPORTED ARE NON-PROFIT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☐ First class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☑ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ 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 the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
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?	**2**	Yes	
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			
	☑ Compensation committee	☐ Written employment contract		
	☐ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ 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?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only 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?	**5a**		No
b	Any related organization?	**5b**		No
	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?	**6a**		No
b	Any related organization?	**6b**	Yes	
	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	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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	**8**		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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 compensation				
ELMER G ELLIS	(i)	1,536,031	0	81,406	0	0	1,617,437	0
	(ii)	0	0	0	0	0	0	0
BYRON HALE	(i)	402,127	0	47,015	0	0	449,142	0
	(ii)	0	0	0	0	0	0	0
STEPHEN RYDZAK MD	(i)	0	0	0	0	0	0	0
	(ii)	288,144	266,904	101,953	0	0	657,001	0
FREDDIE SANCHEZ	(i)	262,385	0	30,541	0	0	292,926	0
	(ii)	0	136,427	0	0	0	136,427	0
PAULA ANTHONY	(i)	267,611	0	17,942	0	0	285,553	0
	(ii)	0	0	0	0	0	0	0
MIKE THOMAS	(i)	259,864	0	21,951	0	0	281,815	0
	(ii)	0	0	0	0	0	0	0
MIKE GRAY	(i)	228,145	0	39,846	0	0	267,991	0
	(ii)	0	0	0	0	0	0	0
JERRY MASSEY	(i)	308,667	0	38,707	0	0	347,374	0
	(ii)	0	0	0	0	0	0	0
KIM PEARSON-WAHL	(i)	251,796	0	30,338	0	0	282,134	0
	(ii)	0	0	0	0	0	0	0
DAVID BROTZMAN	(i)	133,459	0	127,847	0	0	261,306	0
	(ii)	0	0	0	0	0	0	0
ROBERT LAYTON	(i)	200,185	0	12,686	0	0	212,871	0
	(ii)	0	0	0	0	0	0	0
ROBERT HAMPTON	(i)	182,290	0	13,597	0	0	195,887	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE J	Part I, LINE 1A	COUNTRY CLUB DUES ARE PAID FOR BUSINESS PURPOSE ANY PERSONAL USE IS REIMBURSED BY THE EMPLOYEE
SCHEDULE J	PART I, LINE 4B	DAVID BROTZMAN RECEIVED $119,842 DISTRIBUTION DISTRIBUTIONS ARE FROM A 457(F) SHORT-TERM DEFERRED COMPENSATION PLAN
SCHEDULE J	PART I, LINE 4B	Supplemental Retirement Benefit for Elmer G Ellis The Board of Directors approved a supplemental retirement benefit for Elmer G Ellis, President & CEO in 1996 that will provide Mr Ellis with total retirement benefits equal to 86% of his salary upon retirement Bi-weekly payments are made to Mr Ellis in amounts which will provide him with accumulated total investments at the time of his retirement that are sufficient to fund the 86% of ending salary retirement payment amounts In 2009, payments of $619,950 were made to Mr Ellis under this benefit arrangement, which are reported on column B(I) above
SCHEDULE J	PART I, LINE 6B	FREDDIE SANCHEZ RECEIVES INCENTIVE COMPENSATION BASED ON NET EARNINGS OF FIRST CHOICE MANAGEMENT SERVICES

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 75-1803327
Name: EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(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 compensation				
ELMER G ELLIS	(I)	1,536,031	0	81,406	0	0	1,617,437	0
	(II)	0	0	0	0	0	0	0
BYRON HALE	(I)	402,127	0	47,015	0	0	449,142	0
	(II)	0	0	0	0	0	0	0
STEPHEN RYDZAK MD	(I)	0	0	0	0	0	0	0
	(II)	288,144	266,904	101,953	0	0	657,001	0
FREDDIE SANCHEZ	(I)	262,385	0	30,541	0	0	292,926	0
	(II)	0	136,427	0	0	0	136,427	0
PAULA ANTHONY	(I)	267,611	0	17,942	0	0	285,553	0
	(II)	0	0	0	0	0	0	0
MIKE THOMAS	(I)	259,864	0	21,951	0	0	281,815	0
	(II)	0	0	0	0	0	0	0
MIKE GRAY	(I)	228,145	0	39,846	0	0	267,991	0
	(II)	0	0	0	0	0	0	0
JERRY MASSEY	(I)	308,667	0	38,707	0	0	347,374	0
	(II)	0	0	0	0	0	0	0
KIM PEARSON-WAHL	(I)	251,796	0	30,338	0	0	282,134	0
	(II)	0	0	0	0	0	0	0
DAVID BROTZMAN	(I)	133,459	0	127,847	0	0	261,306	0
	(II)	0	0	0	0	0	0	0
ROBERT LAYTON	(I)	200,185	0	12,686	0	0	212,871	0
	(II)	0	0	0	0	0	0	0
ROBERT HAMPTON	(I)	182,290	0	13,597	0	0	195,887	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

Part I Bond Issues *(Required for 2008)*

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	TYLER HEALTH FACILITIES DEVELOPMENT CORPORATION	52-1315814	902261HJ8	11-05-2007	283,865,000	BOND ISSUES AND FINANCE FACILITIES		X		X

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					

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

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

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

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?		X								
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X								
4	Enter the percentage of financed property used in a private business use by entities other than a 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 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?		X								

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 been filed with respect to the bond issue?		X								
2	Is the bond issue a variable rate issue?		X								
3a	Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?		X								
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X								
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?		X								
6	Did the bond issue qualify for an exception to rebate?		X								

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

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

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
See Additional Data Table					

Additional Data

Software ID:
Software Version:
EIN: 75-1803327
Name: EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
SOUTHSIDE BANK	DIRECTOR AS BANK OFFICER	349,954	INTEREST ON LOANS TO ETMCRHS		No
ELIZABETH SMITH	RELATED TO TRUSTEE	128,388	EMPLOYMENT AT ETMCRHS		No
DONNA HALE	FAMILY MEMBER	127,863	EMPLOYMENT AT ETMC SPECIALTY		No
ROBERT GRAY II	FAMILY MEMBER	22,737	EMPLOYMENT AT ETMCRHS		No
MONICA GRAVES	FAMILY MEMBER	61,412	EMPLOYMENT AT ETMCRHS		No
LABAN GRAVES	FAMILY MEMBER	27,467	EMPLOYMENT AT ETMCRHS		No
CHELSEY WALTERS	FAMILY MEMBER	91,595	EMPLOYMENT AT ETMC TYLER		No
ADAMS COKER PC	FAMILY MEMBER	293,081	LEGAL SERVICES TO ETMCHRS		No

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

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Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

Identifier	Return Reference	Explanation
MEMBER AND STOCKHOLDER DETAIL	FORM 990, PART VI, LINE 6, 7A & 7B	ETMC System is the parent and sole member of the ETMC System Affiliates and appoints certain members to the board

Identifier	Return Reference	Explanation
PROCESS USED TO REVIEW FORM 990	FORM 990, PART VI, LINE 10	The return is reviewed by our outside accountants and is reviewed by senior management It is then presented to the board for their review and comment The final return is provided to the board prior to filing

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS	FORM 990, PART VI, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE POSTED ON THE ORGANIZATION'S WEBSITE AND COPIES ARE PROVIDED UPON REQUEST

Identifier	Return Reference	Explanation
DETERMINING COMPENSATION OF CEO, OFFICERS, AND KEY EMPLOYEES	FORM 990, PART VI, LINE 15	COMPENSATION FOR THE CEO, OFFICERS, AND KEY EMPLOYEES IS REVIEWED AND APPROVED BY INDEPENDENT DIRECTORS, AFTER CONSIDERING THE RESULTS OF A COMPENSATION SURVEY OF COMPARABLE POSITIONS AT COMPARABLE ENTITIES THE EVALUATION AND DETERMINATION PROCESS, AS WELL AS A DESCRIPTION OF THE COMPARABLE INFORMATION UTILIZED, IS DOCUMENTED IN MEETING MINUTES PROMPTLY FOLLOWING THE CONCLUSION OF THE MEETING OF THE DIRECTORS

Identifier	Return Reference	Explanation
COMPLIANCE WITH WRITTEN CONFLICT OF INTEREST POLICY	FORM 990, PART VI, LINE 12C	The organization has a written conflict of interest policy for all employees, officers and trustees Annually any officers, key employees and trustees are required to complete a conflicts of interest form disclosing any actual or potential conflicts of interest with the organization Should any transaction arise that may create a conflict, the transaction is reviewed and appropriate measures are taken

Identifier	Return Reference	Explanation
AUDITED FINANCIAL STATEMENTS	FORM 990, PART XI, LINE 2B	THE ORGANIZATION WAS INCLUDED IN CONSOLIDATED, INDEPENDENT AUDITED FINANCIAL STATEMENTS FOR THE TAX YEAR

Identifier	Return Reference	Explanation
FUNDRAISING EXPENSES	FORM 990, PART IX, COLUMN D	Fundraising is conducted at the related organization, ETMC Foundation for all ETMC System organizations, including ETMC System The expenses are not charged back to the organization

Identifier	Return Reference	Explanation
GOVERNING BODY AND MANAGEMENT	FORM 990, PART VI, LINE 2	THE FOLLOWING MEMBERS OF ETMC REGIONAL HEALTHCARE SYSTEM ARE ALSO BOARD MEMBERS OF ENTITIES AFFILIATED WITH ETMC REGIONAL HEALTHCARE SYSTEM ELMER G ELLIS, BYRON HALE, B G HARTLEY, LARRY DURRETT, RON DONALDSON, M D , STEPHEN RYDZAK, M D AND WADE RIDLEY

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Employer identification number
75-1803327

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
See Additional Data Table					

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
ETMC REGIONAL HEALTH SERVICES INC 1000 S BECKHAM AVE TYLER, TX75701 75-1925036	HEALTH SERVICES	TX	ETMCRHS	C CORP	104,124,075	39,633,645	0 %

Part V Transactions with Related Organizations

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

		Yes	No
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	1a	Yes	
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c		No
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r	Yes	

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) **See Additional Data Table**		
(2)		
(3)		
(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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data Return to Form

Software ID:
Software Version:
EIN: 75-1803327
Name: EAST TEXAS MEDICAL CENTER REG HEALTHCARE SYS

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
ETMC - TYLER 1000 S BECKHAM AVE TYLER, TX75701 75-1803325	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - CANCER INSTITUTE 1000 S BECKHAM AVE TYLER, TX75701 75-1803329	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - REHABILITATION HOSPITAL 701 OLYMPIC PLAZA CIRCLE TYLER, TX75701 75-2599215	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - HOME SERVICES 1000 S BECKHAM AVE TYLER, TX75711 75-2503960	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
EAST TEXAS REGIONAL COOPERATIVE 1000 S BECKHAM AVE TYLER, TX75701 75-2627236	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC REG HEALTHCARE SYS SELF INS TRUST 1000 S BECKHAM AVE TYLER, TX75701 75-6345356	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - SPECIALTY 1000 S BECKHAM AVE 5TH FLOOR TYLER, TX75701 75-2547158	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - FOUNDATION 1000 S BECKHAM AVE TYLER, TX75701 75-2695524	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - HEALTHCARE ASSOCIATES 1000 S BECKHAM AVE TYLER, TX75701 75-2605821	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - ATHENS 2000 S PALESTINE ATHENS, TX75751 75-1854562	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - CARTHAGE 409 COTTAGE ROAD CARTHAGE, TX75633 75-2735077	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - CLARKSVILLE PO DRAWER 1270 CLARKSVILLE, TX75426 75-2638020	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - CROCKETT 1100 LOOP 304 EAST CROCKETT, TX75835 75-2602621	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - FAIRFIELD 125 NEWMAN STREET FAIRFIELD, TX75840 75-2753454	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - GILMER 712 NORTH WOOD GILMER, TX75644 20-0079162	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - JACKSONVILLE 501 SOUTH RAGSDALE JACKSONVILLE, TX75766 75-2715084	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - MOUNT VERNON PO BOX 477 MOUNT VERNON, TX75457 75-2250730	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - TRINITY PO BOX 471 TRINITY, TX75862 75-2715898	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - PITTSBURG 414 QUITMAN ST PITTSBURG, TX75686 75-1919624	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - QUITMAN PO BOX 1000 QUITMAN, TX75783 75-2766160	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS
ETMC - HENDERSON 300 WILSON STREET HENDERSON, TX75652 26-4123728	HEALTH SRVCS	TX	501(C)(3)	EXEMPT	ETMCRHS

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	ETMC REGIONAL HEALTH SERVICES INC	O	10,030,942
(2)	ETMC TYLER	O	35,781
(3)	ETMC REGIONAL HEALTH SERVICES INC	R	938,712
(4)	ETMC REGIONAL HEALTH SERVICES INC	A	579,014
(5)	ETMC REGIONAL HEALTH SERVICES INC	J	4,449
(6)	ETMC REGIONAL HEALTH SERVICES INC	P	2,272
(7)	ETMC TYLER	R	27,416,124
(8)	ETMC TYLER	J	7,761,553
(9)	ETMC TYLER	P	2,372,279
(10)	ETMC CANCER	R	264,996
(11)	ETMC CANCER	J	462,177
(12)	ETMC CANCER	P	35,447
(13)	ETMC HOME SERVICES	R	676,308
(14)	ETMC HOME SERVICES	J	121,320
(15)	ETMC HOME SERVICES	P	742
(16)	ETMC REGIONAL COOPERATIVE	NONE	0
(17)	ETMC REG HEALTHCARE SYS SELF INS TRUST	NONE	0
(18)	ETMC FOUNDATION	NONE	0
(19)	ETMC HEALTHCARE ASSOCIATES	J	1,773,576
(20)	ETMC HEALTHCARE ASSOCIATES	P	175,226
(21)	ETMC ATHENS	R	3,528,696
(22)	ETMC ATHENS	J	145,028
(23)	ETMC ATHENS	P	276,773
(24)	ETMC CARTHAGE	R	899,402
(25)	ETMC CARTHAGE	J	46,870
(26)	ETMC CARTHAGE	P	64,627
(27)	ETMC CLARKSVILLE	R	566,340
(28)	ETMC CLARKSVILLE	J	29,640
(29)	ETMC CLARKSVILLE	P	54,692
(30)	ETMC CROCKETT	R	1,269,444

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(31)	ETMC CROCKETT	J	439,885
(32)	ETMC CROCKETT	P	90,137
(33)	ETMC FAIRFIELD	R	484,428
(34)	ETMC FAIRFIELD	J	9,144
(35)	ETMC FAIRFIELD	P	37,331
(36)	ETMC GILMER	R	698,806
(37)	ETMC GILMER	J	27,507
(38)	ETMC GILMER	P	65,876
(39)	ETMC HENDERSON	P	1,923
(40)	ETMC JACKSONVILLE	R	1,612,920
(41)	ETMC JACKSONVILLE	J	341,330
(42)	ETMC JACKSONVILLE	P	143,500
(43)	ETMC MT VERNON	R	324,900
(44)	ETMC MT VERNON	J	106,444
(45)	ETMC MT VERNON	P	88,643
(46)	ETMC PITTSBURG	R	901,584
(47)	ETMC PITTSBURG	J	93,404
(48)	ETMC PITTSBURG	P	75,705
(49)	ETMC QUITMAN	R	686,691
(50)	ETMC QUITMAN	J	44,373
(51)	ETMC QUITMAN	P	142,374
(52)	ETMC REHABILITATION	R	1,216,356
(53)	ETMC REHABILITATION	J	2,222,737
(54)	ETMC REHABILITATION	P	291,921
(55)	ETMC SPECIATLY CENTER	R	484,752
(56)	ETMC SPECIALTY CENTER	P	231,867
(57)	ETMC TRINITY	R	349,236
(58)	ETMC TRINITY	J	2,304
(59)	ETMC TRINITY	P	25,875