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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)	OMB No 1545-0047 2009 Open to Public Inspection
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2009 calendar year, or tax year beginning 09-01-2009 and ending 08-31-2010									
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending		Please use IRS label or print or type. See Specific Instructions.		C Name of organization Hillcrest Baptist Medical Center				D Employer identification number 74-1161944	
				Doing Business As				E Telephone number (254) 202-9448	
				Number and street (or P O. box if mail is not delivered to street address) 100 HILLCREST MEDICAL BLVD			Room/suite	G Gross receipts \$ 243,972,412	
				City or town, state or country, and ZIP + 4 Waco, TX 76712					
		F Name and address of principal officer GLENN ROBINSON 100 HILLCREST MEDICAL BLVD WACO, TX 76712				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.hillcrest.net									
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶						L Year of formation 1916		M State of legal domicile TX	

Part I		Summary		
Activities & Governance	1	Briefly describe the organization's mission or most significant activities HILLCREST BAPTIST MEDICAL CENTER IS ORGANIZED EXCLUSIVELY TO PROVIDE MEDICAL CARE WITHOUT REGARD TO THE BENEFICIARIES' ABILITY TO PAY, THROUGH ERECTING, EQUIPING, CONDUCTING, AND MAINTAINING A HOSPITAL		
	2	Check this box ☒ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3 1	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	
	5	Total number of employees (Part V, line 2a)	5 2,05	
	6	Total number of volunteers (estimate if necessary)	6 19	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	964,934	2,725,469
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	207,929,192	233,132,373
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	925,570	4,130,601
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,647,543	3,770,513
			213,467,239	243,758,956
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	1,000
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	32,420,460	81,784,142
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) 157,773		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	178,342,619	149,914,657
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	210,763,079	231,699,799
	19	Revenue less expenses Subtract line 18 from line 12	2,704,160	12,059,157
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	282,748,081	274,880,847
	21	Total liabilities (Part X, line 26)	247,068,107	234,292,741
	22	Net assets or fund balances Subtract line 21 from line 20	35,679,974	40,588,106

Part II Signature Block	
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge
	***** Signature of officer 2011-07-15 Date
	RICHARD PERKINS CFO Type or print name and title
Paid Preparer's Use Only	Preparer's signature M Paige Gench Date Check if self-employed ☒ Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 BKD LLP 2800 Post Oak Blvd Ste 3200 HOUSTON, TX 77056 EIN
	Phone no (713) 499-4600

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

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

HILLCREST BAPTIST MEDICAL CENTER IS ORGANIZED EXCLUSIVELY TO PROVIDE MEDICAL CARE WITHOUT REGARD TO THE BENEFICIARIES' ABILITY TO PAY, THROUGH ERECTING, EQUIPING, CONDUCTING, AND MAINTAINING A HOSPITAL

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 \$

220,097,245

including grants of \$

1,000

) (Revenue \$

236,902,886

)

IN THE FISCAL YEAR END AUGUST 31, 2010, HILLCREST BAPTIST MEDICAL CENTER (HBMC) ADMITTED 12,875 INPATIENTS, 183,946 OUTPATIENTS, AND 54,929 EMERGENCY DEPARTMENT PATIENTS HBMC PROVIDED \$38,082,000 IN DIRECT CHARITY CARE AND ADMITTED 4,535 INPATIENTS UNDER THE MEDICAID PROGRAM CONTINUED ON SCHEDULE O

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 \$220,097,245

Form 990 (2009)

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	Yes	
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 similar funds or 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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes	
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
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 United States?	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 United States? 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 U S ? 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 U S ? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions 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 of gross income from gaming activities 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	Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	223		
	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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,057		
	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	No
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b		
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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			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 receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9 Sponsoring organizations maintaining donor advised funds.					
a Did the organization make any taxable distributions under section 4966?			9a		
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10 Section 501(c)(7) organizations. Enter					
a Initiation fees and capital contributions included on Part VIII, line 12			10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b		
11 Section 501(c)(12) organizations. Enter					
a Gross income from members or shareholders			11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b		

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	12	
b	Enter the number of voting members that are independent . . .	1b	9	
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		No
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	Yes	
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	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
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?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
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	
	If "Yes" to line a or b, 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 ▶ RICHARD W PERKINS 3000 HERRING ST Waco, TX 76708 (254) 202-9448

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

• 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

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

Form 990 (2009)

1b	Total	3,341,785	384,275	312,543
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2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶45

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
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? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5 Yes	

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
TEXAS EM-1 MEDICAL SERVICES 7032 COLLECTION CENTER DR CHICAGO, IL 60693	EMERGENCY PHYSICANS	2,792,765
COMMUNITY HOSPITAL CONSULTING 5801 TENNYSON PARKWAY SUITE 550 PLANO, TX 75024	CONSULTING SERVICES	1,332,792
HILLCREST SURGICAL ASSOCIATES PA 3000 HERRING WACO, TX 76708	TRAUMA PHYSICIANS	1,297,225
MCLENNAN COUNTY MEDICAL EDUC FDN 1600 PROVIDENCE DRIVE WACO, TX 76707	RESIDENCY PROGRAM	1,115,777
PINNACLE ANESTHESIA TEXAS PLLC 13601 PRESTON ROAD SUITE 900W DALLAS, TX 75240	ANESTHESIA SERVICES	2,196,437

2

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶55

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	2,121,347				
	e	Government grants (contributions)	1e	442,284				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	161,838				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			2,725,469			
Program Service Revenue			Business Code					
	2a	Net Patient Service Revenue	621,990	233,132,373	233,132,373			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			233,132,373			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			1,032,827		1,032,827	
	4	Income from investment of tax-exempt bond proceeds . .			0			
	5	Royalties			0			
	6a	(i) Real		(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)						
	7a	(i) Securities		(ii) Other				
				3,311,230				
				213,456				
				3,097,774				
	d	Net gain or (loss)			3,097,774		3,097,774	
	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	Rental	532,000	1,738,306	1,738,306				
b	Food Service	900,099	1,406,898	1,406,898				
c	Gift Shop	900,099	273,093	273,093				
d	All other revenue		352,216	352,216				
e	Total. Add lines 11a-11d			3,770,513				
12	Total revenue. See Instructions			243,758,956	236,902,886		4,130,601	

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	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	1,000	1,000		
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	2,640,036		2,640,036	
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	62,514,574	62,514,574		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,131,286	3,131,286		
9	Other employee benefits	8,651,931	8,651,931		
10	Payroll taxes	4,846,315	4,846,315		
11	Fees for services (non-employees)				
a	Management	145,287	134,341	10,946	
b	Legal	230,079		230,079	
c	Accounting	221,489		221,489	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	17,832,805	14,842,236	2,988,072	2,496
12	Advertising and promotion	1,092,596	1,092,596		
13	Office expenses	1,841,850	1,547,074	285,957	8,819
14	Information technology	1,349,417	1,178,910	170,507	
15	Royalties	0			
16	Occupancy	11,238,092	8,952,296	2,285,796	
17	Travel	509,304	408,572	94,012	6,720
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	13,749,180	12,662,995	1,086,185	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	10,511,405	9,909,610	601,795	
23	Insurance	0			
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	BAD DEBT EXPENSE	49,100,594	49,100,594		
b	MEDICAL SUPPLIES	35,198,785	35,198,785		
c	RECRUITMENT	1,797,893	1,650,177	147,716	
d	RAW FOODS	1,433,425	1,433,425		
e	EQUIPMENT EXPENSE	1,098,727	1,084,429	12,233	2,065
f	All other expenses	2,563,729	1,756,099	669,957	137,673
25	Total functional expenses. Add lines 1 through 24f	231,699,799	220,097,245	11,444,780	157,773
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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			5,488,420	1	8,954,194
	2	Savings and temporary cash investments			24,416,369	2	13,991,814
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			25,052,867	4	25,632,805
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. 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			15,175,867	7	149,119
	8	Inventories for sale or use			3,874,008	8	3,560,157
	9	Prepaid expenses and deferred charges			4,430,109	9	4,002,313
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	166,794,774	152,634,313	10c	151,406,449
	b	Less accumulated depreciation	10b	15,388,325			
	11	Investments—publicly traded securities			45,143,465	11	60,380,756
	12	Investments—other securities. See Part IV, line 11			5,386,504	12	5,595,967
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			1,146,159	15	1,207,273
	16	Total assets. Add lines 1 through 15 (must equal line 34)			282,748,081	16	274,880,847
Liabilities	17	Accounts payable and accrued expenses			22,894,524	17	24,800,743
	18	Grants payable				18	
	19	Deferred revenue				19	130,958
	20	Tax-exempt bond liabilities			176,754,374	20	176,818,175
	21	Escrow or custodial 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			26,936,221	23	24,005,693
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			20,482,988	25	8,537,172
	26	Total liabilities. Add lines 17 through 25			247,068,107	26	234,292,741
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			30,351,006	27	35,049,140
	28	Temporarily restricted net assets			3,782,010	28	3,977,781
	29	Permanently restricted net assets			1,546,958	29	1,561,185
	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			35,679,974	33	40,588,106
	34	Total liabilities and net assets/fund balances			282,748,081	34	274,880,847

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separated basis		
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?	Yes	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization Hillcrest Baptist Medical Center	Employer identification number 74-1161944
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

(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	
Total									

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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

Section C. Computation of Public Support Percentage

14	Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2008 Schedule A, Part II, line 14	15	

16a

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

b

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

b

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

18

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

Part IIISupport 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						

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

☐

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

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

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

☐

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

☐

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

☐

Part IV

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

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

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

OMB No 1545-0047

2009

Open to Public
Inspection

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

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

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

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization Hillcrest Baptist Medical Center	Employer identification number 74-1161944
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1

Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2

Political expenditures ▶ \$ _____
- 3

Volunteer hours _____

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

- 1

Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ _____
- 2

Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____
- 3

If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a

Was a correction made? ☐ Yes ☐ No
- b

If "Yes," describe in Part IV

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

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ _____
- 2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ \$ _____
- 3

Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$ _____
- 4

Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5

State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes	☐ No												

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		1,000
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			1,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES EXPLANATION	SCHEDULE C PART II-B QUESTION 1G	PERIODICALLY, OFFICERS OR EMPLOYEES OF THE ORGANIZATION MAKE CONTACT WITH LEGISLATORS OR GOVERNMENT OFFICALS. THESE CONTACTS ARE GENERALLY BY LETTER, WITH OCCASIONAL CONTACT IN PERSON OR BY PHONE. THE CONTACTS ARE FOR THE PURPOSE OF INFORMING THE LEGISLATOR OR OFFICIAL OF THE IMPACT OF PROPOSED LEGISLATION OR REGULATIONS ON THE ORGANIZATION AND ITS ABILITY TO CARRY OUT ITS PURPOSE. EXPENSES ARE MINIMAL (I.E. COST OF PREPARING AND MAILING LETTERS, LONG DISTANCE TELEPHONE CALLS, ETC.)

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Hillcrest Baptist Medical Center

Employer identification number
74-1161944

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 for any other purpose conferring 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 a 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											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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

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 the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if 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	1,546,959	1,542,197			
b Contributions	12,438	4,738			
c Investment earnings or losses	1,788	24			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,561,185	1,546,959			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100.000 %

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		14,673,820		14,673,820
b Buildings		106,580,854	7,353,397	99,227,457
c Leasehold improvements		955,801	46,542	909,259
d Equipment		38,337,227	7,722,127	30,615,100
e Other		6,247,072	266,260	5,980,812
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				151,406,448

Schedule D (Form 990) 2009

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	243,758,956
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	231,699,799
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	12,059,157
4	Net unrealized gains (losses) on investments	4	-51,018
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	209,464
9	Total adjustments (net) Add lines 4 - 8	9	158,446
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	12,217,603

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	243,917,402
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-51,018
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	209,464
e	Add lines 2a through 2d	2e	158,446
3	Subtract line 2e from line 1	3	243,758,956
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	243,758,956

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	231,699,799
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	231,699,799
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	231,699,799

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. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
UNCERTAIN TAX POSITIONS UNDER FIN 48	SCHEDULE D PART XIV	THE ORGANIZATION AND MOST OF ITS SUBSIDIARIES HAVE BEEN RECOGNIZED AS EXEMPT FROM INCOME TAXES UNDER SECTION 501 OF THE INTERNAL REVENUE CODE AND A SIMILAR PROVISION OF STATE LAW. HOWEVER, THESE ENTITIES ARE SUBJECT TO FEDERAL INCOME TAX ON ANY UNRELATED BUSINESS TAXABLE INCOME. CONSOLIDATED SUBSIDIARIES THAT ARE NOT EXEMPT FROM INCOME TAXES HAD NO TAX LIABILITY. THE ORGANIZATION ACCOUNTS FOR INCOME TAXES PURSUANT TO ASC TOPIC 710, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES - AN INTERPRETATION OF ASC TOPIC 740 WHICH PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. THERE WERE NO MATERIAL UNCERTAIN TAX POSITIONS AT AUGUST 31, 2010 AND 2009.
INTENDED USE OF ORGANIZATION'S ENDOWMENT FUNDS	SCH D, PART V, QUESTION 4	ENDOWMENT FUNDS ARE HELD AND EARNINGS USED TO FUND CHARITY CARE & EDUCATIONAL PROGRAMS AT HILLCREST BAPTIST MEDICAL CENTER.
OTHER(DESCRIBE IN PART XIV)	SCHEDULE D, PART XI, LINE 8 AND PART XII, LINE 2D	\$209,464 INCREASE IN NET ASSETS OF HILLCREST HEALTH FOUNDATION.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Hillcrest Baptist Medical Center

Employer identification number
74-1161944

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☒ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			9,601,727	430,131	9,171,596	5 020 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			25,609,876	23,824,834	1,785,042	0 980 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			1,110,736	1,905,696	-794,960	0 440 %
d Total Charity Care and Means-Tested Government Programs			36,322,339	26,160,661	10,161,678	5 560 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			476,139		516,960	0 280 %
f Health professions education (from Worksheet 5)			2,152,118	511,133	1,640,985	0 900 %
g Subsidized health services (from Worksheet 6)			32,869,882	27,169,967	5,699,915	2 210 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits			35,498,139	27,681,100	7,857,860	3 390 %
k Total. Add lines 7d and 7j			71,820,478	53,841,761	18,019,538	8 950 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development			20,000		20,000	0.010 %
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development			15,821		15,821	0.010 %
9Other			25,000		25,000	0.010 %
10Total			60,821		60,821	0.030 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2Enter the amount of the organization's bad debt expense (at cost)	2	12,379,877	
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	6,189,939	
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	52,955,105	
6Enter Medicare allowable costs of care relating to payments on line 5	6	55,031,189	
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-2,076,084	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other			

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

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

Name and address

Schedule H (Form 990) 2009

Part VI

Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves

ALONG WITH PROVIDENCE HEALTH CENTER AND MCLENNAN COUNTY HEALTH DISTRICT, JOINTLY ENGAGE TO PERFORM COMMUNITY NEEDS ASSESSMENT

- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

HOSPITAL EMPLOYS ELIGIBILITY STAFF AND UTILIZES AN ELIGIBILITY DETERMINATION SERVICE TO WORK WITH PATIENTS AND FAMILIES REGARDING ELIGIBILITY FOR ASSISTANCE PROGRAMS OR CHARITY CARE

- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

AS A NON PROFIT HOSPITAL, PART OF THE MISSION IS TO ENGAGE IN COMMUNITY BENEFIT ACTIVITIES TO IMPROVE THE HEALTH STATUS OF THE COMMUNITY WE SERVE THE PRIMARY SERVICE AREA FOR HBMC IS MCLENNAN COUNTY, TEXAS FOR TRAUMA PATIENTS THE AREA INCLUDES MCLENNAN, HILL, BOSQUE, LIMESTONE, AND FALLS COUNTY

- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

JOB CREATION IMPROVES ABILITY TO HAVE ADEQUATE NUTRITION AND HEALTH CARE

- 6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

HILLCREST BAPTIST MEDICAL CENTER HAS AN OPEN MEDICAL STAFF AND A COMMUNITY BOARD OF DIRECTORS

- 7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

TX

Additional Data

Software ID:
Software Version:
EIN: 74-1161944
Name: Hillcrest Baptist Medical Center

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

HILLCREST BAPTIST MEDICAL CENTER USES FPG TO DETERMINE ELIGIBILITY FOR FREE AND DISCOUNTED CARE

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

COSTS FOR LINE 7 WERE CALCULATED USING AN OVERALL COST TO CHARGE RATIO

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

NOT APPLICABLE

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

BAD DEBT EXPENSE OF \$49,100,594 WAS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT WAS SUBTRACTED FROM TOTAL EXPENSE FOR THE CALCULATION OF "PERCENT OF TOTAL EXPENSE" IN THIS COLUMN

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

FOOTNOTE DISCLOSURE REGARDING THE TREATMENT OF BAD DEBTS IS AS FOLLOWS PATIENT ACCOUNTS RECEIVABLE ARE STATED AT ESTIMATED NET REALIZABLE VALUE SIGNIFICANT CONCENTRATIONS OF PATIENT ACCOUNTS RECEIVABLE FROM GOVERNMENT-RELATED PROGRAMS WERE 38.5% AND 35.5% AT AUGUST 31, 2010 AND 2009, RESPECTIVELY THE ORGANIZATION MAINTAINS ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS FOR ESTIMATED LOSSES RESULTING FROM A PAYOR'S INABILITY TO MAKE PAYMENTS ON ACCOUNTS THE ORGANIZATION USES A BALANCE SHEET APPROACH TO VALUE THE ALLOWANCE BASED ON HISTORICAL WRITE-OFFS, PAYOR TYPE, AND THE AGING OF THE ACCOUNTS ACCOUNTS ARE WRITTEN OFF WHEN COLLECTION EFFORTS HAVE BEEN EXHAUSTED MANAGEMENT CONTINUALLY MONITORS AND ADJUSTS, AS NECESSARY, ALLOWANCES ASSOCIATED WITH ITS RECEIVABLES THE MAJORITY OF UNCOLLECTIBLE ACCOUNTS ARE FROM UNINSURED PATIENTS AND PATIENT CO-PAYS AND DEDUCTIBLES AMOUNT REPORTED ON LINE 2 IS BASED ON BAD DEBTS PER THE AUDITED FINANCIAL STATEMENTS AFTER APPLYING THE COST TO CHARGE RATIO

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

AS PART OF ITS COMMUNITY BENEFIT, HILLCREST BAPTIST MEDICAL CENTER PROVIDES CARE TO MEDICARE PATIENTS
DESPITE THE FACT THAT REIMBURSEMENT FROM MEDICARE IS LESS THAN THE COST OF PROVIDING THE CARE THE RATIO
OF COST TO CHARGES USED IN THE CALCULATION OF COSTS FOR MEDICARE WAS TAKEN FROM THE MEDICARE COST REPORT

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

NO ATTEMPTS ARE MADE TO COLLECT FROM PATIENTS KNOW TO QUALIFY FOR CHARITY CARE

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Hillcrest Baptist Medical Center

Employer identification number
74-1161944

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ 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 any of the boxes in line 1a are 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		No
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?	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 with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
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?		No
b	Any related organization?		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?		No
b	Any related organization?		No
	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		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
KEITH HORNER MD	(i)	0	0	0	0	0	0	
	(ii)	223,319	129,600	31,356	65,139	9,222	458,636	
GLENN A ROBINSON	(i)	474,825	77,922	0	17,150	20,675	590,572	
	(ii)	0	0	0	0	0	0	
JIM R GEBHART	(i)	236,873	50,274	360,637	19,160	5,397	672,341	
	(ii)	0	0	0	0	0	0	
JASON JENNINGS	(i)	253,590	45,590	7,614	19,160	9,730	335,684	
	(ii)	0	0	0	0	0	0	
ARTHUR HOHENBERGER	(i)	0	0	266,436	0	1,154	267,590	
	(ii)	0	0	0	0	0	0	
RICHARD W PERKINS	(i)	258,729	50,412	15,509	19,160	9,930	353,740	
	(ii)	0	0	0	0	0	0	
CYNDY DUNLAP	(i)	175,620	35,588	1,360	14,054	5,842	232,464	
	(ii)	0	0	0	0	0	0	
DAVID BLACKWELL	(i)	159,074	14,047	6,200	0	6,816	186,137	
	(ii)	0	0	0	0	0	0	
BRAD CRYE	(i)	174,841	24,528	900	15,111	9,930	225,310	
	(ii)	0	0	0	0	0	0	
BILL WILLIS	(i)	173,012	27,863	2,507	15,404	11,412	230,198	
	(ii)	0	0	0	0	0	0	
PAUL GONZALEZ	(i)	134,381	17,993	0	7,396	0	159,770	
	(ii)	0	0	0	0	0	0	
RICHARD WARREN	(i)	149,594	25,692	728	12,565	10,092	198,671	
	(ii)	0	0	0	0	0	0	

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
SEVERANCE PAYMENT ARRANGEMENT	SCHEDULE J PART I QUESTION 4A	JIM R GEBHART \$359,998 ARTHUR HOHENBERGER \$267,590 CERTAIN OFFICERS AND MANAGEMENT EMPLOYEES HAVE A SEVERANCE BENEFIT THAT PROVIDES FOR ONGOING COMPENSATION FOR SPECIFIED PERIODS OF TIME IN THE EVENT OF INVOLUNTARY SEPARATION FROM EMPLOYMENT WITHOUT CAUSE
BENEFITS PROVIDED BY ORGANIZATION	SCH J, PART I, QUESTION 1A	HEALTH CLUB DUES ARE PAID FOR SOME OFFICERS AND ARE REPORTED AS COMPENSATION TO THE OFFICER. THE ORGANIZATION PROVIDES TRAVEL FOR COMPANIONS ON A LIMITED BASIS. ANY TRAVEL AMOUNTS PROVIDED ARE REPORTED AS COMPENSATION TO THE RESPECTIVE BOARD MEMBER. ANY PERSONAL EXPENSES ARE REQUIRED TO BE REIMBURSED TO THE ORGANIZATION.
COMPENSATION PAID BY THE ORGANIZATION		HBMC PAID COMMUNITY HOSPITAL CORPORATION \$590,571 FOR THE SERVICES OF THE CHIEF EXECUTIVE OFFICER, GLENN ROBINSON. THE ORGANIZATION REPORTED AMOUNTS ON SCHEDULE J-2 BASED ON INFORMATION OBTAINED. HBMC PAID SCOTT & WHITE MEMORIAL HOSPITAL \$127,490 FOR THE SERVICES OF JAMES MORRISON, CHIEF MEDICAL OFFICER. THE ORGANIZATION REPORTED AMOUNTS ON SCHEDULE J-2 BASED ON INFORMATION OBTAINED.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Hillcrest Baptist Medical Center

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Employer identification number
74-1161944

Part I

Bond Issues

(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 Waco Health Facilities Development Corporation	74-2267504	929836AN4	12-28-2006	215,015,134	CONSTRUCT REPLACEMENT CAMPUS		X		X

Part II

Proceeds

1	Total proceeds of issue	A		B		C		D		E	
		215,015,134									
2	Gross proceeds in reserve funds	15,343,934									
3	Proceeds in refunding or defeasance escrows										
4	Other unspent proceeds										
5	Issuance costs from proceeds	9,518,315									
6	Working capital expenditures from proceeds										
7	Capital expenditures from proceeds	190,152,885									
8	Year of substantial completion	2009									
9	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
			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

	A		B		C		D		E	
	1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	2	Are there any lease arrangements with respect to the financed property which may result in private business use?						
		X								
		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 section 501(c)(3) organization or a state or local government	0 %									
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %									
6	Total of lines 4 and 5	0 %									
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

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
2	Is the bond issue a variable rate issue?		X								
3a	Has the organization or the governmental 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	NATIXIS FUNDING CORP									
c	Term of GIC	28 6									
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X									
5	Were any gross proceeds invested beyond an available temporary period?	X									
6	Did the bond issue qualify for an exception to rebate?		X								

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Hillcrest Baptist Medical Center

Employer identification number
74-1161944

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
MIDWAY MOB LTD	DIRECTOR IS OWNER	297,360	LEASE SPACE		No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Hillcrest Baptist Medical Center

Employer identification number
74-1161944

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACTIVITY CONTINUED	FORM 990 PART III QUESTION 4A	HBMC ALSO PROVIDED \$1,162,593 IN DIRECT SUPPORT TO A FAMILY MEDICINE RESIDENCY PROGRAM WITH 37 RESIDENT PHYSICIANS ALSO, BECAUSE OF THE SIGNIFICANT AMOUNTS OF INDIGENT CARE PROVIDED, HBMC IS DEEMED A DISPROPORTIONATE SHARE HOSPITAL UNDER BOTH THE MEDICAID AND MEDICARE PROGRAMS HBMC PROVIDED NEONATAL INTENSIVE CARE SERVICES, THE ONLY SUCH UNIT IN A MULTI-COUNTY AREA HBMC ALSO HAS A LEVEL 2 TRAUMA CENTER IN ORDER TO SERVE AND PROVIDE LEADERSHIP IN A FIVE COUNTY REGION WHICH PREVIOUSLY DID NOT HAVE AN ADEQUATE TRAUMA CARE PROGRAM HBMC ALSO PROVIDED MANY MEDICAL SCREENING AND MEDICAL EDUCATION OPPORTUNITIES HBMC PROVIDED 33,314 HOME CARE AND HOSPICE PATIENT VISITS

Identifier	Return Reference	Explanation
ORGANIZATION MEMBERS	FORM 990 PART VI QUESTION 6	HILLCREST HEALTH SYSTEM, INC AND SCOTT & WHITE MEMORIAL HOSPITAL AND SCOTT, SHERWOOD AND BRINDLEY FOUNDATION ARE THE TWO MEMBERS OF THE CORPORATION

Identifier	Return Reference	Explanation
MEMBER ELECTION ABILITIES	FORM 990 PART VI, QUESTION 7A	HALF OF THE DIRECTORS WILL BE ELECTED BY SCOTT & WHITE MEMORIAL HOSPITAL AND SCOTT, SHERWOOD AND BRINDLEY FOUNDATION AND THE OTHER HALF WILL BE ELECTED BY HILLCREST HEALTH SYSTEM, INC

Identifier	Return Reference	Explanation
MONITORING & ENFORCEMENT OF WRITTEN CONFLICT OF INTEREST POLICY	FORM 990 PART VI QUESTION 12C	THE BOARD REVIEWS AND RESOLVES, IF NECESSARY , ANY TRANSACTION AS THEY ARISE THROUGHOUT THE YEAR IN ACCORDANCE WITH POLICY STANDARDS

Identifier	Return Reference	Explanation
DOCUMENT AVAILABILITY TO THE PUBLIC	FORM 990 PART VI QUESTION 19	THE ORGANIZATIONS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
REVIEW PROCESS FOR FORM 990	FORM 990 PART VI, QUESTION 11A	THE ORGANIZATION ENGAGES AN OUTSIDE ACCOUNTING FIRM TO PREPARE FORM 990 ONCE PREPARED, THE FORM IS REVIEWED BY MANAGEMENT AND INTERNAL ACCOUNTANTS AND EMAILED TO THE BOARD

Identifier	Return Reference	Explanation
REVIEW & APPROVAL OF COMPENSATION	FORM 990 PART VI QUESTION 15A & 15B	THE FOLLOWING PROCESS IS USED TO DETERMINE COMPENSATION FOR THE FOLLOWING OFFICERS PRESIDENT & CEO, CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, CHIEF NURSING OFFICER, CHIEF MEDICAL OFFICER, AND VP OF CLINIC OPERATIONS AN INDEPENDENT HEALTHCARE CONSULTING COMPANY IS ENGAGED BY THE BOARD TO REVIEW SALARY SURVEY DATA FOR SIMILAR ENTITIES AND MAKE RECOMMENDATIONS TO THE COMPENSATION COMMITTEE OF THE BOARD REGARDING SALARY RANGE AND BENEFIT PACKAGES FOR THE RESPECTIVE OFFICES THE COMPENSATION COMMITTEE THEN MAKES THE FINAL DETERMINATION OF COMPENSATION AND BENEFITS FOR THE RESPECTIVE OFFICERS

Identifier	Return Reference	Explanation
DECISION OF GOVERNING BODY SUBJECT TO APPROVAL	FORM 990 PART VI, QUESTION 7B	A NUMBER OF DECISIONS OF THE ORGANIZATION ARE SUBJECT TO APPROVAL OF BOTH MEMBERS OF THE ORGANIZATION THESE RESERVED POWERS ARE STATED BELOW A) AMENDMENT OR RESTATEMENT OF THE ORGANIZATION'S ARTICLES OF INCORPORATION OR BYLAWS, B) CHANGE IN THE TAX-EXEMPT STATUS OR CHARITABLE MISSION AND PURPOSE OF THE ORGANIZATION, C) ADMISSION OF ANY NEW MEMBER TO THE ORGANIZATION, D) SALE, MERGER, CONSOLIDATION, OR DISSOLUTION OF THE ORGANIZATION, E) TRANSFER BY EITHER MEMBER OF ITS MEMBERSHIP INTEREST IN THE ORGANIZATION, F) CAPITAL CONTRIBUTION TO THE ORGANIZATION OR ASSUMPTION OR GUARANTEE OF DEBT OF THE ORGANIZATION BY EITHER MEMBER (EXCEPT AS REQUIRED BY THE MEMBERS AGREEMENT), G) CONTRIBUTIONS BY THE ORGANIZATION TO MEMBERS, EXCEPT AS PERMITTED IN THE MEMBERS AGREEMENT, H) SELECTION OF THE ORGANIZATION'S MANAGEMENT COMPANY (IF ANY), I) REPLACEMENT OF COMMUNITY HOSPITAL CORPORATION ("CHC") AS THE INITIAL MANAGER OF THE ORGANIZATION (UNLESS CHC EITHER TERMINATES OR BREACHES THE MANAGEMENT AGREEMENT OR THE TERM OF THE MANAGEMENT AGREEMENT EXPIRES), J) SELECTION AND APPOINTMENT OF THE PRESIDENT/CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION (WHO SHALL ALSO BE THE CHIEF EXECUTIVE OFFICER OF THE GENERAL ACUTE HOSPITAL THAT IS OWNED AND OPERATED BY THE ORGANIZATION), K) EXECUTION OR AMENDMENT OF ANY AGREEMENT BETWEEN THE ORGANIZATION AND A MEMBER OR ANY OF SUCH MEMBER'S AFFILIATES, L) CLOSURE OR MATERIAL REDUCTION IN SCOPE OF ANY HOSPITAL SERVICE OFFERED AT THE HOSPITAL ON THE DATE IMMEDIATELY PRIOR TO THE EFFECTIVE DATE OF THE MEMBERS AGREEMENT, M) CLOSURE OF THE MEDICAL STAFF OF THE HOSPITAL, N) CHANGE OF THE NAME OF THE HOSPITAL, O) CLOSURE OR TERMINATION OR MATERIAL REDUCTION IN THE SCOPE OF THE CHAPLAINCY PROGRAM AT THE HOSPITAL

Identifier	Return Reference	Explanation
RELATED COMPENSATION HOURS WORKED	FORM 990 PART VII	AVG HOUR WORKED FOR RELATED ORG BILLY DAVIS 2 CYNDY DUNLAP 10 DAVID HOFFMAN 1 KEITH HORNER 40 JASON JENNINGS 16 JIM GEBHART 16 GLENN ROBINSON 25 RICHARD PERKINS 25 BRAD CRYE 45 JAMES MORRISON 17

Identifier	Return Reference	Explanation
DELEGATE DUTIES TO MANAGEMENT COMPANY	FORM 990, PART VI, QUESTION 3	THE ORGANIZATION UTILIZES A MANAGEMENT COMPANY TO PAY THE CHIEF EXECUTIVE OFFICER'S SALARY

Identifier	Return Reference	Explanation
COMPENSATION PAID BY THE ORGANIZATION	FORM 990, PART VII	HBMC PAID COMMUNITY HOSPITAL CORPORATION \$590,571 FOR THE SERVICES OF THE CHIEF EXECUTIVE OFFICER, GLENN ROBINSON THE ORGANIZATION REPORTED AMOUNTS ON SCHEDULE J-2 BASED ON INFORMATION OBTAINED HBMC PAID SCOTT & WHITE MEMORIAL HOSPITAL \$127,490 FOR THE SERVICES OF JAMES MORRISON, CHIEF MEDICAL OFFICER THE ORGANIZATION REPORTED AMOUNTS ON SCHEDULE J-2 BASED ON INFORMATION OBTAINED

Identifier	Return Reference	Explanation
ISSUANCE COSTS FROM PROCEEDS	SCHEDULE K PART II LINE 5	PROCEEDS USED FOR BOND ISSUANCE COSTS \$3,540,558 PROCEEDS USED FOR CREDIT ENHANCEMENT \$5,977,757 ----- \$9,518,315

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Hillcrest Baptist Medical Center

Employer identification number
74-1161944

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
HILLCREST PHYSICIAN SERVICES 100 HILLCREST MEDICAL BLVD WACO, TX 76712 74-2967081	PHYSICIAN SVC	TX	501(C)(3)	11C	NA
HILLCREST HEALTH FOUNDATION 100 HILLCREST MEDICAL BLVD WACO, TX 76712 31-1804708	FUNDRAISING	TX	501(C)(3)	11A	NA
HILLCREST FAMILY HEALTH CENTER 100 HILLCREST MEDICAL BLVD WACO, TX 76712 74-2730350	HEALTHCARE	TX	501(C)(3)	11C	NA
HILLCREST HEALTH SYSTEM INC 100 HILLCREST MEDICAL BLVD WACO, TX 76712 74-2924512	HLTHCARE SPT	TX	501(C)(3)	11A	NA

Part III

Identification of Related Organizations Taxable as a Partnership

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

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

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
HILLCREST HEALTH HOLDINGS INC 3000 HERRING ST WACO, TX76708 74-2793367	HEALTHCARE SV	TX	NA	C-CORP	0	250,363	100 000 %

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

Yes

1b

Yes

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

No

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	(b) Transaction type(a-r)	(c) Amount involved
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

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.

[illegible]

Software ID:
Software Version:
EIN: 74-1161944
Name: Hillcrest Baptist Medical Center

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1)	HILLCREST FAMILY HEALTH CENTER	B	3,100,000
(1)	HILLCREST PHYSICIAN SERVICES	B	4,210,000
(2)	HILLCREST FAMILY HEALTH CENTER	I	947,042
(3)	HILLCREST FAMILY HEALTH CENTER	D	149,119
(4)	HILLCREST FAMILY HEALTH CENTER	N	8,390,915
(5)	HILLCREST PHYSICIAN SERVICES	N	1,528,111
(6)	HILLCREST PHYSICIAN SERVICES	I	42,672
(7)	HILLCREST PHYSICIAN SERVICES	O	1,429,876
(8)	HILLCREST FAMILY HEALTH CENTER	A	9,003

Additional Data

Software ID:

Software Version:

EIN: 74-1161944

Name: Hillcrest Baptist Medical Center

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GLEN COUCHMAN MD DIRECTOR	1 0	X						0	0	0
BILLY H DAVIS JR VICE CHAIRMAN	1 0	X		X				0	0	0
PATRICIA CURRIE DIRECTOR	1 0	X						0	0	0
DAVID G HOFFMAN MD DIRECTOR	1 0	X		X				0	0	0
KEITH HORNER MD DIRECTOR	1 0	X						0	384,275	74,361
TERRY MANESS DIRECTOR	1 0	X		X				0	0	0
LYNDON L OLSON JR DIRECTOR	1 0	X						0	0	0
MICHAEL D REIS MD DIRECTOR	1 0	X						0	0	0
G MICHAEL REITMEIER DIRECTOR	1 0	X		X				0	0	0
J MARK RISTER MD DIRECTOR	1 0	X						0	0	0
GLENN A ROBINSON CHIEF EXECUTIVE OFFICER	25 0	X		X				552,747	0	37,825
CAREY HOBBS DIRECTOR	1 0	X		X				0	0	0
JASON JENNINGS CHIEF OPERATING OFFICER	34 0			X				306,794	0	28,890
RICHARD W PERKINS CHIEF FINANCIAL OFFICER	25 0			X				324,650	0	29,090
CYNDY DUNLAP CHIEF NURSING OFFICER	40 0			X				212,568	0	19,896
JAMES MORRISON CHIEF MEDICAL OFFICER	34 0			X				119,446	0	8,044
DAVID BLACKWELL CHIEF HUMAN RESOURCE OFFICER	34 0				X			179,321	0	6,816
BRAD CRYE SR VICE-PRES-CLINIC OPERATIONS	12 0				X			200,269	0	25,041
BILL WILLIS VICE-PRESIDENT	40 0				X			203,382	0	26,816
PAUL GONZALEZ PHYSICIAN ASSISTANT	40 0				X			152,374	0	7,396
RICHARD WARREN CHIEF INFORMATION OFFICER	34 0				X			176,014	0	22,657
JIM R GEBHART FORMER CHIEF OPERATING OFFICER	34 0						X	647,784	0	24,557
ARTHUR HOHENBERGER FORMER CHIEF EXECUTIVE OFFICER	0 0						X	266,436	0	1,154

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

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
BAD DEBT EXPENSE	49,100,594	49,100,594		
MEDICAL SUPPLIES	35,198,785	35,198,785		
RECRUITMENT	1,797,893	1,650,177	147,716	
RAW FOODS	1,433,425	1,433,425		
EQUIPMENT EXPENSE	1,098,727	1,084,429	12,233	2,065