See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning SEP 1, 2009 and ending AUG 31, 2010

B Check if applicable:
- ☐ Address change
- ☒ Name change
- ☐ Initial return
- ☐ Termin-ated
- ☐ Amended return
- ☐ Applica-tion pending

Please use IRS label or print or type. See Specific Instruc-tions

C Name of organization
Scott & White Memorial Hospital

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) 2401 S. 31st Street

Room/suite

City or town, state or country, and ZIP + 4
Temple, TX 76508

D Employer identification number
74-1166904

E Telephone number
(254)724-4733

G Gross receipts $ 902,603,503.

F Name and address of principal officer: Robert Pryor, M.D.
2401 S. 31st Street, Temple, TX 76508

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)

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

J Website: ▶ www.sw.org

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1949

M State of legal domicile: TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities: See Schedule O.

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	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	4
5	Total number of employees (Part V, line 2a)	5	10541
6	Total number of volunteers (estimate if necessary)	6	155
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	3,397,321.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	17,161,244.	18,120,849.
9	Program service revenue (Part VIII, line 2g)	828,371,355.	861,138,049.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-38,970,384.	16,505,751.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,300,859.	6,838,854.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	814,863,074.	902,603,503.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	286,985.	130,908.
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	374,486,859.	430,505,786.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 5,434,315.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	439,988,430.	430,051,615.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	814,762,274.	860,688,309.
19	Revenue less expenses. Subtract line 18 from line 12	100,800.	41,915,194.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	1445795051.	1402649522.
21	Total liabilities (Part X, line 26)	767,485,765.	402,890,241.
22	Net assets or fund balances. Subtract line 21 from line 20	678,309,286.	999,759,281.

SCANNED JUL 26 2011

RECEIVED
JUL 18 2011
OGDEN, UT

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 07/13/2011

▶ Robert Pryor, M.D., President/CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶

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

9/16 16

Part III | Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
The Hospital has adopted the mission statement of the Scott & White Healthcare System : "To provide the most personalized, comprehensive, and highest-quality health care, enhanced by medical education and research."

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 $ 740971776. including grants of $) (Revenue $ 826853298.)
Hospital Services Program Activity:

Patient & Observation days (excl Newborns)	166,205
Admissions	29,249
Surgical Cases	26,449
Emergency Room visits	85,693
Occupancy percentage	74%

See Schedule O for discussion.

4b (Code:) (Expenses $ 64,078,236. including grants of $ 130,908.) (Revenue $ 22,202,909.)
Medical Education Services Program Activity:

Graduate residency/fellowship programs	36
Residents/Fellows	396
Texas A&M medical students	283
Student nursing interns	1400

See Schedule O for discussion.

4c (Code:) (Expenses $ 18,052,688. including grants of $) (Revenue $ 10,852,613.)
Medical Research Program Activity:

Research programs	374
FTEs dedicated to medical research	172

See Schedule O for discussion.

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 823,102,700.

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	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
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	N/A	
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		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
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	X	
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	X	
	• 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		X
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* (Yes: X / No)	12A	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X	
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
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		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
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? *If "Yes," complete Schedule I, Parts I and II*	21		X
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? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
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? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	X	
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? *If "Yes," complete Schedule L, Part III*	27		X
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? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
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 direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
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	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns. Enter -0- if not applicable	1a	671		
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		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	10541		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X	
b	If "Yes," enter the name of the foreign country ▶ Cayman Islands See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to 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			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
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? N/A	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966? N/A	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12 N/A	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 N/A	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 line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions*

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	9		
b	Enter the number of voting members that are independent	1b	4		
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		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4	X	
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		X

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
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 ▶ None

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

☐ Own website ☐ Another's website ☒ Upon request

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

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

Mr. Dick L. Dixon - (254)724-4733

2401 S. 31st Street, Temple, TX 76508

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

[X] Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Glenda Barron, Ph.D. Director	4.00	X						0.	0.	0.
Bill DiGaetano Director	4.00	X						0.	0.	0.
Barry Couch Director/Vice Pres	4.00	X		X				0.	0.	0.
Drayton McLane, III Director	4.00	X						0.	0.	0.
Drayton McLane, Jr. Board Chairman/Trustee	4.00	X		X				0.	0.	0.
Anita Perry Trustee	4.00	X						0.	0.	0.
Louis S. Casey, Jr. Trustee	4.00	X						0.	0.	0.
Nancy W. Dickey, M.D. Trustee	4.00	X						0.	0.	0.
Wayne Fisher Trustee	4.00	X						0.	0.	0.
Morris E. Foster Trustee	4.00	X						0.	0.	0.
Donald R. Grobowsky Trustee	4.00	X						0.	0.	0.
Howard W. Kruse Trustee	4.00	X						0.	0.	0.
James McKnight Trustee	4.00	X						0.	0.	0.
James H. Mills Trustee	4.00	X						0.	0.	0.
Lyndon L. Olson, Jr. Trustee	4.00	X						0.	0.	0.
Glen E. Roney Brd Vice-Chair/Trustee	4.00	X		X				0.	0.	0.
Robert Probe, M.D. Board Chairman/Director	40.00	X		X				0.	762,467.	51,339.

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Alejandro Arroliga, M.D. Director	40.00	X						0.	509,212.	50,553.
Timothy Bittenbinder, M.D. Director	40.00	X						0.	543,522.	55,339.
Madhava Beeram, M.D. Trustee	40.00	X						0.	407,640.	51,753.
W. Roy Smythe, M.D. Trustee	40.00	X						0.	766,571.	51,339.
William L. Rayburn, M.D. 2nd Vice Pres/Trustee	40.00	X		X				0.	552,597.	53,925.
L. Gill Naul, M.D. Trustee	40.00	X						0.	639,245.	52,553.
Wade L. Knight, M.D. Treasurer/Trustee	40.00	X		X				0.	499,615.	48,860.
Alfred B. Knight, M.D. President/CEO/Trustee	40.00	X		X				0.	1,135,855.	48,309.
Michael Middleton, M.D. Secretary/Trustee	40.00	X		X				0.	436,096.	50,553.
A.E. Avots-Avotins, M.D. 1st Vice President	40.00	X		X				0.	541,671.	55,339.
1b Total ▶								1,374,510.	13,621,586.	1503695.

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 ▶ 218

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Page Southerland Page, 400 W. Cesar Chavez Ste. 500, Austin, TX 78701	Architecture	1,731,839.
Ernst & Young LLP PO Box 848107, Dallas, TX 75284-8107	Accounting Services	1,379,981.
Fulbright & Jaworski, 1301 McKinney Ste 5100, Houston, TX 77010-3095	Legal Services	1,336,236.
Anderton Group II Ltd PO Box 23007, Waco, TX 76702-3007	Printing Services	1,263,201.
Patterson Wagner & Rocheleau LLP 7550 W I-10 Ste. 500, San Antonio, TX 78229	Legal Services	1,005,629.

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 ▶ 439

See Schedule J-2 for Part VII, Section A Continuation

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	4,696,654.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	13424195.			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f		18120849.			
Program Service Revenue		Business Code				
	2a Patient Care Rev-Net	621990	845624785.	845238305.	386,480.	
	b Reference Lab	621500	2,729,377.		2729377.	
	c Hospital Mgt Services	621990	192,836.		192,836.	
	d Internal Research Fund	541700	-1994472.	-1994472.		
	e					
	f All other program service revenue	621990	14585523.	14585523.		
	g **Total.** Add lines 2a-2f		861138049.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		7,600,465.			7600465.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties		547,482.			547,482.
		(i) Real / (ii) Personal				
	6a Gross Rents	88,628.				
	b Less: rental expenses					
	c Rental income or (loss)	88,628.				
	d Net rental income or (loss)		88,628.		88,628.	
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	8905286.				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)	8905286.				
	d Net gain or (loss)		8,905,286.			8905286.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
	11a Cafeteria/Thrift Store	722210	4,123,280.			4123280.
	b Miscellaneous	900099	2,079,464.	2,079,464.		
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d		6,202,744.			
	12 **Total revenue** See instructions		902603503.	859908820.	3397321.	21176513.

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	130,908.	130,908.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	348,047,908.	335,140,199.	10,601,598.	2,306,111.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	25,503,775.	25,503,775.		
9 Other employee benefits	28,267,380.	24,201,328.	3,651,401.	414,651.
10 Payroll taxes	28,686,723.	28,686,723.		
11 Fees for services (non-employees):				
a Management				
b Legal	28,636.	370.	28,266.	
c Accounting	420,911.		420,911.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	86,778,798.	80,011,357.	5,442,729.	1,324,712.
12 Advertising and promotion	4,929,881.	4,082,755.	452,615.	394,511.
13 Office expenses	172,237,144.	169,511,950.	2,663,783.	61,411.
14 Information technology				
15 Royalties				
16 Occupancy	16,441,521.	15,805,654.	551,589.	84,278.
17 Travel	4,157,556.	3,633,339.	407,812.	116,405.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,894,532.	1,628,663.	236,305.	29,564.
20 Interest	22,944,770.	22,944,770.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	51,349,666.	48,188,691.	3,083,040.	77,935.
23 Insurance	2,103,527.	1,249,157.	854,370.	
24 Other expenses Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Equipment rent & maint	43,751,178.	42,212,064.	1,517,648.	21,466.
b Bad Debt	40,324,050.	40,324,050.		
c Health Plan Debt Adj	18,100,000.	18,100,000.		
d Telephone/ship/print	7,838,817.	7,374,693.	286,646.	177,478.
e Patient/Comm support	6,547,264.	5,668,286.	538,731.	340,247.
f All other expenses	-49,796,636.	-51,296,032.	1,413,850.	85,546.
25 Total functional expenses. Add lines 1 through 24f	860,688,309.	823,102,700.	32,151,294.	5,434,315.
26 Joint costs. Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		146,915,415.	1	121,475,086.
	2	Savings and temporary cash investments		12,832,926.	2	14,012,667.
	3	Pledges and grants receivable, net		2,526,005.	3	2,281,346.
	4	Accounts receivable, net		149,079,265.	4	157,791,564.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		81,690.	5	73,172.
	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		8,160,000.	7	7,902,441.
	8	Inventories for sale or use		8,321,545.	8	7,497,332.
	9	Prepaid expenses and deferred charges		4,005,948.	9	4,628,179.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1221301446.			
	b	Less: accumulated depreciation	10b 632,971,697.	575,894,115.	10c	588,329,749.
	11	Investments - publicly traded securities		181,059,571.	11	230,568,837.
	12	Investments - other securities. See Part IV, line 11		17,068,684.	12	14,867,658.
	13	Investments - program-related See Part IV, line 11		174,419,693.	13	89,781,835.
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		165,430,194.	15	163,439,656.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1445795051.	16	1402649522.
Liabilities	17	Accounts payable and accrued expenses		107,922,859.	17	113,872,761.
	18	Grants payable			18	
	19	Deferred revenue		38,883,595.	19	32,581,184.
	20	Tax-exempt bond liabilities		405,008,465.	20	
	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		55,758,909.	23	55,758,909.
	24	Unsecured notes and loans payable to unrelated third parties		55,650,413.	24	29,769,620.
	25	Other liabilities Complete Part X of Schedule D		104,261,524.	25	170,907,767.
	26	**Total liabilities.** Add lines 17 through 25		767,485,765.	26	402,890,241.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		603,788,651.	27	921,393,767.
	28	Temporarily restricted net assets		39,017,353.	28	45,583,836.
	29	Permanently restricted net assets		35,503,282.	29	32,781,678.
		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		678,309,286.	33	999,759,281.
	34	Total liabilities and net assets/fund balances		1445795051.	34	1402649522.

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?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	X	
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 separate 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?	3a	X	
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.	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
Scott & White Memorial Hospital	74-1166904

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

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

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

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

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

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

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

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

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

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

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

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

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

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

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

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

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

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

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

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

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

h Provide the following information about the supported organization(s)

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

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

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 Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 15 %

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

b **33 1/3% support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public 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
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment 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 ▶ ☐

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), then

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

Name of organization	Employer identification number
Scott & White Memorial Hospital	74-1166904

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

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

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

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

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

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

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

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.		
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-		

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.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)

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

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

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) Yes	(a) No	(b) 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?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?	X		174,047.
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	X		51,181.
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV		X	
j	Total Add lines 1c through 1i			225,228.
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **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) nondeductible 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 1i. Also, complete this part for any additional information.

Part II-B, Line 1(f) and Line 1(g): SWMH maintains memberships in the American Hospital Association, Texas Hospital Association and other national and state medical associations. A percentage of the dues paid to those organizations is attributed to lobbying activities and is reported as grants to other organizations for lobbying purposes. The organization retains the services of professional lobbyists, and in-house

Part IV **Supplemental Information** *(continued)*

staff personnel maintain contact with legislators regarding issues pertinent to the organization.

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 Scott & White Memorial Hospital

Employer identification number 74-1166904

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ 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)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

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

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

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

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

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

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

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

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

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

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

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

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	73389524.	92860194.			
b Contributions	1,512,623.	763,913.			
c Net investment earnings, gains, and losses	5,602,178.	-11892140.			
d Grants or scholarships	-81,802.	-176,750.			
e Other expenditures for facilities and programs	-2222090.	-8165693.			
f Administrative expenses					
g End of year balance	78200433.	73389524.			

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

a Board designated or quasi-endowment ▶ 52.00 %
b Permanent endowment ▶ 48.00 %
c Term endowment ▶ _____ %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		24,324,763.		24,324,763.
b Buildings		471,388,954.	105,263,859.	366,125,095.
c Leasehold improvements				
d Equipment		711,255,078.	515,282,954.	195,972,124.
e Other		14,332,651.	12,424,884.	1,907,767.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				588,329,749.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Donor restricted investments	5,827,944.	Cost
Investment in subsidiary	45,490,322.	Cost
Investment in unconsolidated entity	38,463,569.	Cost
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶	89,781,835.	

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

(a) Description	(b) Book value
Insurance Reserve Funds	2,299,603.
Other Assets	1,463,512.
Restricted Funds - Debt Service	157,052.
Restricted Funds, current portion	159,519,489.
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	163,439,656.

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

1 (a) Description of liability	(b) Amount
Federal income taxes	
Due to broker	123,282,077.
Other liabilities - payroll/benefits	27,229,678.
Reserve for insurance/checks	1,438,492.
Other Liabilities	18,957,520.
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	170,907,767.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	902,603,503.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	860,688,309.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	41,915,194.
4	Net unrealized gains (losses) on investments	4	-49,867,936.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	329,402,737.
9	Total adjustments (net). Add lines 4 through 8	9	279,534,801.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	321,449,995.

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

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

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

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	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	
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 must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

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

Part X: FIN 48 Footnote: Scott & White evaluates it's income tax positions in accordance with Accounting Standard Codification 740-10, regarding accounting for uncertainty in income taxes (ASC 740-10). ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There are no material unrecorded tax liabilities as of August 31, 2010 and 2009.

Part XIV Supplemental Information *(continued)*

Part V: Endowment funds and income from endowment investments are used to provide funding for program activities of Scott & White Memorial Hospital.

Part XI, Line 8: Other reconciling items include Scott & White Memorial Hospital transfer of equity to Scott & White Healthcare. Through an organizational restructure in the year ended 8/31/10, Scott & White Healthcare became the sole member of the Scott & White Healthcare System.

Part XI, Line 8: Certain SWMH business risks are insured through Scott & White Assurance, LTD, a captive insurance company wholly owned by Scott & White Healthcare and incorporated in the Cayman Islands. For federal tax reporting purposes, this is not treated as an insurance arrangement because there has been no shifting of risk out of the affiliated entity group. Therefore, the related expense recorded in the separate SWMH financial statements has been removed and is treated as a capital contribution to Scott & White Assurance, LTD. The amount of this adjustment is $3,959,479.

Schedule F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
Scott & White Memorial Hospital	74-1166904

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

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

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Central America and Caribbean	0	0	Investments		0.
Europe	0	0	Investments		0.
Central America and Caribbean	1	1	Captive Assurance		670,597.
Totals ▶	1	1			670,597.

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

932071
02-01-10

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000 Check this box if no one recipient received more than $5,000 ▶ ☐

Use Schedule F-1 (Form 990) if additional space is needed

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ▶

Schedule F (Form 990) 2009

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16

Use Schedule F-1 (Form 990) if additional space is needed

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

Part IV Supplemental Information

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

Part I, line 3: Investments represent stock and bond portfolio investments in unrelated foreign organizations.

Providing certain insurance coverage and risk management through Scott & White Assurance, Ltd provides benefits at lower costs compared to providing such coverage through unrelated insurance carriers.

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 Scott & White Memorial Hospital

Employer identification number 74-1166904

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	X	
b If "Yes," is it a written policy?	1b	X	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals [X] 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 *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	3a	X	
b Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: [X] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [ ] Other _____ %	3b	X	
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	X	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	X	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	X	
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		X
6a Does the organization prepare an annual community benefit report?	6a	X	
b If "Yes," does the organization make it available to the public?	6b	X	

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)			35261843.	8684509.	26577334.	3.24%
b Unreimbursed Medicaid (from Worksheet 3, column a)			69603784.	52557988.	17045796.	2.08%
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)			3276213.	3613630.	-337,417.	.00%
d **Total** Charity Care and Means-Tested Government Programs			108141840	64856127.	43285713.	5.32%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2461423.	0.	2461423.	.30%
f Health professions education (from Worksheet 5)			64302519.	22524633.	41777886.	5.09%
g Subsidized health services (from Worksheet 6)			26668022.	21626910.	5041112.	.61%
h Research (from Worksheet 7)			13529679.	4056124.	9473555.	1.15%
i Cash and in-kind contributions to community groups (from Worksheet 8)			510,368.	0.	510,368.	.06%
j **Total.** Other Benefits			107472011	48207667.	59264344.	7.21%
k **Total.** Add lines 7d and 7j			215613851	113063794	102550057	12.53%

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X	
2	Enter the amount of the organization's bad debt expense (at cost)	2	13,217,054.		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	0.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	212,827,383.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	239,658,288.		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-26,830,905.		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used. ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other				

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Scott & White Memorial Hospital 2401 S. 31st Street Temple, TX 76508	X	X	X	X		X	X		
King's Daughters Hospital 1905 SW HK Dodgen Loop Temple, TX 76502	X	X					X		

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

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

Part I, Line 7: The costing method used for Schedule H is the cost to charge ratio, as calculated in Schedule H, Worksheet 2. This method was applied to the costs reported on lines 7a, 7b, 7c, and 7g.

Part I, Line 7g: Costs attributable to a physician clinic were not included as subsidized health services for SWMH.

Part I, Line 7f: Bad debt expense subtracted for purposes of calculating the percentage in column (f) is $40,324,050.

Part III, Line 4: In the SWMH accounting system, bad debt is recorded as the cost of forgone charges. To calculate the cost of bad debt for purposes of Schedule H, Part III, line 2, the cost to charge ratio calculated in Schedule H, Part I, Worksheet 2,line 7, was applied.

Due to patient screenings which occur prior to recording bad debt charges, bad debt expense should not contain community benefit expenditures.

Audited financial statement footnote: Patient accounts receivable are stated at estimated net realizable value. Scott & White maintains allowances for uncollectible accounts for estimated losses resulting from

Part VI | Supplemental Information

a payor's inability to make payments on accounts. Scott & White uses a balance sheet approach to value the allowance account 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 result from uninsured patients and patient co-pays and deductibles.

Part III, Line 8: SWMH is a nonprofit hospital that voluntarily participates in the Medicare program. Medicare payments received do not cover the costs incurred to provide services to Medicare patients. In reporting the community benefit portion of the American Hospital Association/Texas Hospital Association survey, the Medicare short-fall is included in community benefit reporting.

Costing methodology/source: All payments to providers of services must be based on the reasonable cost of services covered under title XVIII of the Act. Reasonable cost includes all necessary and proper costs incurred in rendering the services. Reasonable cost takes into account both direct and indirect costs of providers of services, including normal standby costs. The general services or overhead cost is stepped down and allocated through statistical data to equitable allocate the expenses to the hospital service departments.

Part VI, Line 2: The Bell County Community Needs Coalition consists of various health and human service stakeholders in Bell County, Texas and is dedicated toward the development of a countywide health and human services needs assessment. The Bell County Community Needs Assessment is the

coalition's product of a collaborative process of systematic collection, analysis, and distribution of information on the health and human services needs of Bell County. Various data collection tools and methods, such as surveys (printed in 3 languages), interviews and focus groups, were used to conduct the needs assessment. The assessment resulted in the coalition identifying the top challenges, by region, affecting the citizens of Bell County and surrounding areas.

Part VI, Line 3: SWMH educates patients in regards to their eligibility for financial assistance in a number of ways. Patient billing statements include phone contact information for patients seeking information regarding financial assistance. Financial counselors are available at each location to assist patients in determining eligibility, assisting with applications for assistance, as well as making payment arrangements. Additionally, SWMH contracts with a 3rd party vendor to routinely screen self-pay patients for eligibility for local, state and federal assistance programs that may be available. These services are offered at no cost to patients.

Part VI, Line 4: Population Demographic Summary: The Scott and White Healthcare System provides care for patients in 32 counties in the state of Texas covering 30,000 square miles. Eighty-five percent of the patients come from a primary service area including the counties of Bell, Brazos, Coryell, Falls, Lampasas, McLennan, Milam, and Williamson. Eight percent of patients come from the secondary service area including Brazos, Blanco, Bosque, Brown, Burleson, Burnet, Comanche, Grimes, Hamilton, Hays, Hill, Hood, Johnson, Lee, Leon, Limestone, Llano, Madison, Mills, Robertson, San Saba, Somervell, Travis and Washington counties.

Part VI Supplemental Information

In Scott & White's primary service area, the total population is 1,268,822 and the median household income is $46,930. Twenty-seven percent of the population is under the age of 17; 42% is between the ages of 18 and 44; 21% is between the ages of 45 and 64; and 10% of the population is over 65. The top three ethnicities in the primary service are White Non-Hispanic with 61.08% of the population; 20.67% are Hispanic and 12% are Black Non-Hispanic.

In the secondary service area, the total population of the counties served is 1,828,960 and the median household income is $44,315. Twenty-four percent of the population is under 17; 40% are between the ages of 18 and 44; 25% is between 45 and 64; and 11% is 65 or older. Of the population in the secondary service area, 59.54% are White Non-Hispanic; 27.91% are Hispanic; 7.10% are Black Non-Hispanic; 3.29% are Asian Non-Hispanic; 1.63% are Multiracial and less than one percent each of the total population are Native American, Pacific Islander or Other.

General Health Summary: The March 2010 public health rankings list Bell County as 74th out of 223 in the state of Texas. A community health needs assessment was completed in August 2010 by the Bell County Community Needs Coalition, a partnership between Scott & White Healthcare, Bell County, Metroplex Health System, United Way of Central Texas and United Way of the Greater Fort Hood Area and other local organizations. The following information was taken from the results of that assessment to help provide a snapshot of the overall health of the immediate community that Scott & White Memorial Hospital serves:

Part VI Supplemental Information

Forty percent of nearly 3,000 survey respondents indicated they would qualify their overall health as either fair or poor. The most common health diagnoses that residents of Bell County have received from physicians are high blood pressure (36.8% of respondents), high cholesterol (24.5% of respondents), and mental illness such as depression, anxiety or substance abuse (23.2% of respondents). The number one cause of death is cardiovascular disease, followed by cancer. Referencing the risk factors for CVD, almost 30% of adults in Bell County do not participate in leisure time physical activity, 27% of residents are smokers and over 75% of adults eat less than five fruits and vegetables a day. All of these indicators are a slightly higher percentage than the state levels. The top two possibly preventable conditions that Bell County residents were hospitalized for are congestive heart failure and bacterial pneumonia.

The report indicates that the greatest areas of health needs in the community were for more affordable health care, evening clinic hours, low-cost walk in clinics for preventive care, and the integration of mental and physical healthcare.

Part VI, Line 6: Fort Hood and Project Homefront:
On November 5, 2009, 12 soldiers and one civilian were killed and dozens wounded in a shooting incident at Fort Hood, the U. S. Army's largest military combat installation, in Killeen, TX, part of the SWMH primary service area. With the only Level I trauma center in Central Texas, SWMH was the destination for the most severly wounded. Immediately upon notification of the shootings, Scott & White Clinic and SWMH assembled a response team of more than 20 surgeons, in addition to the emergency room

and anesthesia staff and over 100 support personnel, that was ready to evaluate and treat the wounded when they arrived at the emergency room. Fully equipped and fully staffed trauma bays were cleared and ready for use. Operating room schedules were quickly cleared and SWMH nurses and housing staff cleaned and sanitized operating rooms for immediate use. Ten of the soldiers brought to SWMH were mortally wounded; several were stabilized and taken to operating rooms within 10 minutes of arrival. All survived.

This incident demonstrates advantages of the Scott & White integrated delivery model. Physician, nursing and technical personnel and facilities, supplies and support services were quickly available to treat victims of the shooting. Because of this response, the victims received almost immediate, quality, life-saving care.

As a result of the incident, Scott & White, the cities of Temple, Belton and Killeen, and other community emergency resources have developed and implemented a disaster emergency response plan. As the major healthcare provider in Central Texas, Scott & White has taken a leading role in the planning and implementation of the plan. Scott & White physicians, nurses, other medical professionals, and management and support personnel have dedicated many hours to the process, and continue their involvement, participating in mock drills and updating the disaster response plan. Responding to the needs and issues of military personnel returning to Fort Hood from service in Iraq and Afghanistan, Scott & White and the Central Texas-Fort Hood chapter of the Association of the United States Army designed and implemented Project Homefront. Project Homefront works to prevent suicide, marital problems and harmful family relationships in the

Part VI Supplemental Information

armed forces by providing individual, family, and group counseling to those who have served and are serving in Iraq and Afghanistan. The services are free and unlimited counseling visits are available with permanent counselors who live in the community. Counselors who work with Project Homefront are members of a military family or are specially trained in the military culture. Services are available to Guard, Reserve and Active duty personnel and Veterans. While providing counseling and medical services, Scott & White counselors and physicians recognized the unique and special needs of military personnel and their families. As a result of the counselors' efforts and education, SWMH leadership authorized the development of Project Homefront and the expenditure of funds to accomplish its goals. The costs incurred to provide Project Homefront counsling services have been funded by private grants and donations, with administrative, office expenses and space needs being funded by Scott & White. As of May 2011, over 12,000 patient counseling visits have been provided. Project Homefront is one of the largest community-based mental health programs for members of the armed services and their families.

Part VI, Line 6: All SWMH facilities are operated in a manner that furthers the organization's exempt purposes. SWMH officers and executives plan and direct the activities of all facilities under the direction and oversight of the Trustees and officers of Scott & White Healthcare, sole corporate member of SWMH. The SWMH Board of Directors is comprised of persons residing in the SWMH service area. As explained in response to Form 990 Part VI, Section A, Question 7b, the SWMH board of directors does not consist of a majority of independent directors because SWMH relies on the Scott & White Healthcare Board of Trustees, which is controlled by a

majority of independent trustees, to meet board control tests. SWMH extends medical staff privileges to all local physicians meeting privileging requirements. Surplus funds are reinvested in facilities, equipment and programs to further SWMH's exempt purposes.

Part VI, Line 7: SWMH is the lead hospital facility in the Scott & White Healthcare System. Scott & White Healthcare is the sole member, controlling member or sole shareholder of all Scott & White affiliates and is a minority shareholder in a separate tax-exempt hospital. The Scott & White Healthcare System includes eight currently operating tax-exempt hospitals, with three additional hospitals under development. The system also includes Scott & White Clinic, a multi-specialty tax-exempt physician clinic with approximately 76 locations in Central Texas as of August 31, 2010, and Scott & White Health Plan, a tax-exempt HMO and insurance company with approximately 200,000 members. Scott & White Healthcare provides planning, management and financing support for the other entities in the system. All health care delivery organizations in the system, including Scott & White Clinic, function in a manner to support their tax-exempt status. All entities operate under a consistent governance arrangement, provide services to Medicare and Medicaid patients, provide charity services to patients under system-wide charity and financial assistance plans and have consistent accounting and bad debt policies. All financial accounting, billing, and collection activities are performed or managed by a system-wide finance department.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

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

▶ **Attach to Form 990.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Scott & White Memorial Hospital

Employer identification number
74-1166904

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

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

3 Enter total number of other organizations ▶

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

Schedule I (Form 990) 2009

932101 02-02-10

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Nursing/Other Health-related Scholarships	35	130,908.	0.		

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

Schedule I, Part I, Line 2: Scholarships are awarded to students seeking a degree in nursing and other health-related fields. These awards are made to employees, as well as non-employees. Scholarship money is awarded by a committee based on completed application, academic transcript(s) and letters of reference.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Scott & White Memorial Hospital

Employer identification number

74-1166904

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 indemnification 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 on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
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?	4a	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations 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?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of·			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
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	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Robert Probe, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	732,937.	28,150.	1,380.	31,850.	19,489.	813,806.	0.
Alejandro Arroliga, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	455,496.	52,750.	966.	31,850.	18,703.	559,765.	0.
Timothy Bittenbinder, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	493,816.	48,740.	966.	31,850.	23,489.	598,861.	0.
Madhava Beeram, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	397,796.	8,038.	1,806.	31,850.	19,903.	459,393.	0.
W. Roy Smythe, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	681,877.	71,664.	13,030.	31,850.	19,489.	817,910.	0.
William L. Rayburn, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	500,957.	50,674.	966.	31,850.	22,075.	606,522.	0.
L. Gill Naul, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	584,329.	53,950.	966.	31,850.	20,703.	691,798.	0.
Wade L. Knight, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	491,626.	3,150.	4,839.	31,850.	17,010.	548,475.	0.
Alfred B. Knight, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	829,933.	303,150.	2,772.	31,850.	16,459.	1,184,164.	0.
Michael Middleton, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	432,316.	3,150.	630.	31,850.	18,703.	486,649.	0.
A.E. Avots-Avotins, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	501,310.	38,555.	1,806.	31,850.	23,489.	597,010.	0.
Glen R. Couchman, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	521,731.	93,150.	1,806.	31,850.	20,489.	669,026.	0.
Patricia Currie	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	378,830.	74,150.	966.	31,850.	18,703.	504,499.	0.
Michael Reis, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	306,055.	29,610.	966.	31,850.	19,592.	388,073.	0.
Dennis L. Laraway	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	515,629.	127,650.	630.	31,850.	16,903.	692,662.	0.
Francis P. Anderson	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	230,232.	31,614.	966.	31,850.	19,360.	314,022.	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.

Part I, Line 4a: Eric Lashbrook, $317,953

Brian Stanford, $234,281

Scott & White Memorial Hospital brought the operations of King's Daughters Hospital into their system via a merger in April 2009. Severance payment was made to those individuals whose employment was terminated as a result of the merger.

Part I, Line 7: Discretionary bonuses are an element of compensation plans. The SWMH Board of Trustees and the Board Compensation Committee have approved plans designed to measure performance based on differing job functions. The Board of Trustees approves the bonus pools reserved for the various plans. The Board of Trustees determines and approves the bonus, if any, for CEO and executive level personnel.

SCHEDULE J-1 (Form 990)
Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information for Schedule J (Form 990), Part II.
▶ See instructions for Schedule J (Form 990).

OMB No 1545-0047
2009
Open to Public Inspection

Name of the organization: Scott & White Memorial Hospital

Employer identification number: 74-1166904

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable 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
James Carroll	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	322,505.	64,150.	2,772.	31,850.	10,279.	431,556.	0.
Robert Pryor, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	565,849.	126,350.	1,806.	31,850.	17,305.	743,160.	0.
Dick L. Dixon	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	240,530.	35,994.	1,806.	31,850.	17,549.	327,729.	0.
Gail Vanzyl	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	220,661.	31,411.	966.	31,850.	16,496.	301,384.	0.
Stephen Sibbitt, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	312,163.	23,150.	630.	31,850.	18,703.	386,496.	0.
Melodie Hunt	(i)	196,946.	7,603.	75.	21,633.	12,538.	238,795.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
Deborah Bennett	(i)	194,686.	8,101.	1,122.	22,727.	4,117.	230,753.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
Eric Lashbrook	(i)	114,934.	331,024.	97.	6,353.	1,222.	453,630.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
Brian Stanford	(i)	74,180.	241,195.	39.	4,087.	3,623.	323,124.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
Jeffrey Cryder	(i)	191,560.	12,501.	447.	22,548.	8,236.	235,292.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
Kenneth A. Johnson	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	188,203.	9,435.	2,772.	25,921.	8,894.	235,225.	0.
Stuart Donald Sequin	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	361,459.	46,875.	1,806.	31,850.	19,842.	461,832.	0.
J Paul Dieckert	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	459,608.	33,350.	1,806.	31,850.	17,323.	543,937.	0.
Phillip Cain, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	285,600.	3,150.	2,772.	31,850.	21,904.	345,276.	0.
Frank Villamaria, M.D.	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	407,308.	17,767.	966.	31,850.	19,203.	477,094.	0.
Peter Brumleve	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	368,334.	76,650.	966.	31,850.	18,058.	495,858.	0.
Nancy Birdwell	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	251,178.	40,556.	1,806.	31,850.	10,625.	336,015.	0.

SCHEDULE J-2
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the Organization
Scott & White Memorial Hospital

Employer Identification number
74-1166904

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Glen R. Couchman, M.D. 2nd Vice President	40.00	X		X				0.	616,687.	52,339.
Patricia Currie President	40.00	X		X				0.	453,946.	50,553.
Michael Reis, M.D. Trustee	40.00	X						0.	336,631.	51,442.
Dennis L. Laraway Secretary/Treasurer	40.00			X				0.	643,909.	48,753.
Francis P. Anderson Asst Treasurer	40.00			X				0.	262,812.	51,210.
James Carroll Asst Secretary	40.00			X				0.	389,427.	42,129.
Robert Pryor, M.D. Asst Secretary	40.00			X				0.	694,005.	49,155.
Dick L. Dixon Asst Treasurer	40.00			X				0.	278,330.	49,399.
Gail Vanzyl Chief Nurse Executive	40.00				X			0.	253,038.	48,346.
Stephen Sibbitt, M.D. Chief Medical Officer	40.00				X			0.	335,943.	50,553.
Melodie Hunt Nurse Anesthetist	40.00					X		204,624.	0.	34,171.
Deborah Bennett Nurse Anesthetist	40.00					X		203,909.	0.	26,844.
Eric Lashbrook Administration	40.00					X		446,055.	0.	7,575.
Brian Stanford Administration	40.00					X		315,414.	0.	7,710.
Jeffrey Cryder Nurse Anesthetist	40.00					X		204,508.	0.	30,784.
Kenneth A. Johnson Former officer							X	0.	200,410.	34,815.
Stuart Donald Sequin Former Officer							X	0.	410,140.	51,692.
J Paul Dieckert Former officer							X	0.	494,764.	49,173.
Phillip Cain, M.D. Former Officer (FYE 07)							X	0.	291,522.	53,754.
Frank Villamaria, M.D. Former Officer (FYE 06)							X	0.	426,041.	51,053.

SCHEDULE J-2
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the Organization
Scott & White Memorial Hospital

Employer Identification number
74-1166904

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Peter Brumleve Former Key Employee							X	0.	445,950.	49,908.
Nancy Birdwell Former Key Employee							X	0.	293,540.	42,475.

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

Schedule J-2 (Form 990) 2009

932201 02-02-10

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No 1545-0047

2009

Open To Public Inspection

Name of the organization: Scott & White Memorial Hospital

Employer identification number: 74-1166904

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	(c) Corrected? 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? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
W.R. Smythe, M.D.		X	150,000.	73,172.		X	X		X	
Total			▶ $	73,172.						

Part III Grants or Assistance Benefiting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
John M Carroll	Family of Officer	71,951.	Employee-or		X
Julie Couchman	Family of Officer	42,901.	Employee-or		X
Barbara Weiss	Family of Trustee	73,197.	Employee-re		X
Sharon Beeram	Family of Trustee	13,883.	Employee-or		X
Darla Lowe	Family of Trustee	113,383.	Employee-re		X

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

Schedule L (Form 990 or 990-EZ) 2009

See Schedule O for Schedule L Continuations

932131 02-01-10

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization: Scott & White Memorial Hospital

Employer identification number: 74-1166904

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial	X	1	110,000.	Independent Appraisa
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies	X	2	102,547.	Cost
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Medical equip)	X	1	20,900.	Cost
26	Other ▶ ( )				
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment — 29: 0

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		X
b	If "Yes," describe in Part II.			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

Form 990, Part V, Line 2a:

Employee Information:

Employees of Scott & White Healthcare System affiliates are employed by Scott & White Memorial Hospital (74-1166904) or Scott & White Clinic (74-2958277). This is done to achieve parity and consistency in compensation and benefits offered to employees and to reduce administration costs. Consistent with this practice, employee Forms W-2 are filed by Scott & White Memorial Hospital or Scott & White Clinic. For financial reporting purposes, compensation, benefits and other employee costs are assigned to the Scott & White affiliate for which services are rendered. Oversight of and responsibility for the activites of employees are vested in the board of directors and management of the Scott & White affiliate to which such employees are assigned. All required employement forms have been filed by Scott & White Memorial Hospital and Scott & White Clinic.

Form 990, Part VI, Section A, line 4: Scott & White Healthcare (EIN: 26-4532547) an IRC section 501(c)(3) tax-exempt organization and IRC section 509(a)(3), Type I public charity became the sole member of Scott & White Memorial Hospital ("SWMH") on May 28, 2010 as part of the reorganization of the Scott & White Healthcare System ("System"). The purpose of the reorganization was to align all affiliated entities under a single controlling organizational structure (parent-subsidiary structure), with SWHC becoming the sole member or shareholder of most System members. The SWHC Board of Trustees and officers assumed responsibility for System

management, planning, finance and administration. Members of the SWMH Board of Trustees were appointed to the SWHC board and executive officers of SWMH became the officers of SWHC. Prior to the reorganization, SWMH, an organization with significant hospital operations, was the sole member or controlling shareholder of most System members.

Form 990, Part VI, Section A, line 6: The Hospital's sole member is Scott & White Healthcare, an organization exempt from tax under IRC section 501(c)(3) and a public charity under IRC section 509(a)(3). Actions taken by the Hospital's Board of Directors are subject to oversight and approval of the Scott & White Healthcare Board of Trustees. The majority of the Scott & White Healthcare Board of Trustees is comprised of individuals who are representative of the community and not otherwise associated with Scott & White Healthcare, Hospital or other affiliates in the System.

Form 990, Part VI, Section A, line 7a: The Hospital's sole member is Scott & White Healthcare, an organization exempt from tax under IRC section 501(c)(3) and a public charity under IRC section 509(a)(3). Actions taken by the Hospital's Board of Directors are subject to oversight and approval of the Scott & White Healthcare Board of Trustees. The majority of the Scott & White Healthcare Board of Trustees is comprised of individuals who are representative of the community and not otherwise associated with Scott & White Healthcare, Hospital or other affiliates in the System.

Form 990, Part VI, Section A, line 7b: The Hospital's sole member is Scott & White Healthcare, an organization exempt from tax under IRC section

501(c)(3) and a public charity under IRC section 509(a)(3). Actions taken by the Hospital's Board of Directors are subject to oversight and approval of the Scott & White Healthcare Board of Trustees. The majority of the Scott & White Healthcare Board of Trustees is comprised of individuals who are representative of the community and not otherwise associated with Scott & White Healthcare, Hospital or other affiliates in the System.

Form 990, Part VI, Section B, line 11: The SWMH Directors were each provided a copy of Form 990 prior to filing with the IRS. A meeting was held to allow the Directors to ask questions and provide feedback with respect to the information presented in the Form 990.

Form 990, Part VI, Section B, Line 12c: Annually, a written questionnaire is provided to all persons identified as being subject to the SWMH Conflict of Interest Policy, requesting responses to questions designed to identify potential conflicts. Responses are monitored and reviewed by System personnel and follow-ups are initiated as required.

The Conflict of Interest Policy is reviewed before each board meeting or board committee meeting. Board members or persons having business with the Board are asked to identify conflicts which may arise with respect to business conducted by the Board or committee during the meeting.

Form 990, Part VI, Section B, Line 15: The compensation review process is performed annually. All officers, key employees and highly compensated individuals are included in the review, as are all staff. The process

utilizes various comparative data with respect to similar organizations. The procedures, rationale and results of the process are documented and retained. Recommended salaries and total compensation are reviewed by independent compensation consultants and approved by the Compensation Committee of the SWHC Board of Trustees. The entire Board reviews and approves the recommendations of the Compensation Committee.

Form 990, Part VI, Section C, Line 19: The SWMH governing documents and Conflict of Interest Policy are available to the public upon request. SWMH does not have separate audited financial statements.

Form 990, Part VII:

Average Hours Per Week:

Average hours per week recorded in column B for the Officers, Directors, Key Employees and Highly Compensated Employees represent total hours worked for the entire Scott & White Healthcare System.

Form 990, Part XI, Lines 2b and 2c:

Organization's Financial Information:

Results of SWMH operations and assets and liabilities are included in the combined financial statements with its affiliated organizations. The financial statements are audited annually by an independent accounting firm selected by the SWHC Board of Trustees Audit Committee, which is also responsible for oversight of the audit.

Sch L, Part IV, Business Transactions Involving Interested Persons:

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

(a) Name of Person: John M Carroll

(b) Relationship Between Interested Person and Organization:

Family of Officer

(c) Amount of Transaction $ 71951.

(d) Description of Transaction: Employee-org

(e) Sharing of Organization Revenues? = No

(a) Name of Person: Julie Couchman

(b) Relationship Between Interested Person and Organization:

Family of Officer

(c) Amount of Transaction $ 42901.

(d) Description of Transaction: Employee-org

(e) Sharing of Organization Revenues? = No

(a) Name of Person: Barbara Weiss

(b) Relationship Between Interested Person and Organization:

Family of Trustee

(c) Amount of Transaction $ 73197.

(d) Description of Transaction: Employee-related org

(e) Sharing of Organization Revenues? = No

(a) Name of Person: Sharon Beeram

(b) Relationship Between Interested Person and Organization:

Family of Trustee

(c) Amount of Transaction $ 13883.

(d) Description of Transaction: Employee-org

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

(e) Sharing of Organization Revenues? = No

(a) Name of Person: Darla Lowe

(d) Description of Transaction: Employee-related organization

Form 990, Part I, Line 1:

Description of Organization's Mission:

Scott & White Memorial Hospital ("SWMH") (formerly Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation) operates a 660-bed acute care general hospital and a 78-bed stand-alone children's hospital (currently in renovation) serving residents of Bell County, Texas and the surrounding Central Texas area. SWMH was originally formed in 1897 by local physicians, and in 1949 was reorganized as a tax-exempt community based hospital with a board controlled by community trustees. Historically, SWMH has operated in close association with Scott & White Clinic (the "Clinic"), a tax-exempt, multi-specialty physician practice, and in 2001 became sole corporate member of the Clinic. In 2007, SWMH initiated expansion activities, including forming new tax-exempt entities to build hospital facilities, assuming operations of existing tax-exempt hospitals and partnering with other tax-exempt organizations to operate existing hospital facilities. Prior to the system reorganization described below, SWMH owned, managed or was invested in nine hospitals in Central Texas with approximately 1700 licensed beds.

The Scott & White system was reorganized during 2010. The purpose of

the reorganization was to align all affiliated entities under a newly formed tax-exempt organization, Scott & White Healthcare ("SWHC") in a single controlling organizational structure (parent-subsidiary structure). In the reorganization, SWMH transferred sole corporate membership or stock ownership in affiliated Scott & White entities to SWHC, and the Board of Directors of Scott & White Health Plan (the "Health Plan"), a previously unaffiliated tax-exempt HMO/insurance entity, approved amendments to the Health Plan Certificate of Formation to name SWHC as the Health Plan's sole corporate member. Following the reorganization, SWHC is the sole member, controlling member or sole shareholder of all Scott & White affiliates.

The Scott & White system operates as an integrated medical model, which enhances the cost-effective delivery of organized, comprehensive patient care. In addition to nine hospital facilities, the system includes the sixth largest physician group practice in the United States, operating over sixty outpatient clinics in Central Texas and employing over 1200 primary and specialty care physicians and advanced practice providers. The Health Plan provides insurance for approximately 200,000 members in Central Texas, with most member services provided by SWMH, the Clinic and other Scott & White system affiliates.

The Children's Hospital at Scott & White (formerly King's Daughters Hospital), which is currently in renovation, will include 48 private rooms, 16 pediatric intensive care rooms and 14 pediatric emergency

room suites. It will provide 24-hour emergency room services dedicated to and equipped specifically to respond to children's needs. It will be the only stand-alone children's hospital between Dallas and Austin, Texas.

SWMH is a teaching hospital associated with the Texas A&M Health Science Center College of Medicine. SWMH affiliated hospitals participate in the education programs, and physicians practicing in the Clinic serve on the Health Science College of Medicine faculty. SWMH underwrites 36 graduate residency and fellowship programs with approximately 400 graduate participants, undergraduate medical education with approximately 285 medical students and undergraduate and graduate nursing education with approximately 1400 participants. SWMH and the Scott & White system self-funded approximately $42 million in un-reimbursed costs incurred in connection with medical education programs for the fiscal year ended August 31, 2010.

SWMH and its affiliates engage in substantial medical research activities, including basic and advanced clinical research. Research activity is sponsored and financed by government and foundation grants, private and commercial sources and internal funding. SWMH self-funded research expenditures of approximately $9 million during fiscal year ended August 31, 2010.

SWMH underwrites and maintains the only Level I trauma facility in the Central Texas area between Dallas and Austin, Texas, and, through Scott

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

& White EMS, Inc., a tax-exempt affiliate, serves as the City of Temple emergency responder.

SWMH serves patients qualifying for federal Medicare and state Medicaid programs and other federal and state means tested medical assistance programs. Services for indigent patients and uninsured and underinsured patients are provided according to provisions of the SWMH Charity Care Policy and Patient Financial Assistance Program. During the fiscal year ended August 31, 2010, SWMH self-funded approximately $26.8 million to serve patients participating in the Medicare program, approximately $17.1 million to serve patients in the Texas Medicaid program and approximately $26.6 million to serve patients qualifying for charity care or financial assistance services. Please see Schedule H, included with this Form 990 for additional information concerning Medicare, Medicaid and other means tested services. SWMH also serves private pay patients and contracts with health plans and insurance companies to provide medical services for their participants.

Awards and major distinctions received by SWMH and the Scott & White system include:

Thomson Reuters-Top 100 Hospitals and Top 15 Major Teaching Hospitals, 2003-2009

Thompson Reuters-Top 100 Hospitals for Cardiovascular Care, 2000-2009

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization: Scott & White Memorial Hospital

Employer identification number: 74-1166904

SDI-Top 100 Most Highly Integrated Health Networks, 2003-2008, 2010

Commission on Cancer of the American College of Surgeons-consistently received Three Year Approval with Commendation since Scott & White Cancer Center formed in 1933

American College of Surgeons-Accreditation as a Level I Trauma Center

Scott & White Memorial Hospital Neonatal Intensive Care Unit (NICU) consistently ranks in the top 3% world-wide in survival rates

In 2009, SWMH received the Texas Health Care Quality Improvement Achievement Award from TMF Health Quality Institute, the Medicare Quality Improvement Organization for Texas for initiating and performing quality programs aimed at improving outcomes in patient care, based on specific national quality measures.

SWMH was recognized by the Dartmouth Institute of Health Policy and Clinical practice for its delivery of cost-effective, high quality end-of-life medical care.

Form 990, Part III, Line 4a:

Program Service Accomplishments: Hospital Service Activity:

SWMH is the lead facility in the Scott & White Healthcare system serving patients from a 32 county, 30,000 square mile geographic area of Central Texas. In its primary service area, which includes all or part of four counties SWMH provides approximately 67 percent of all

hospital services delivered to area patients. SWMH serves patients qualifying for federal Medicare and state Medicaid programs and other federal and state means tested medical assistance programs. Patients qualifying for either Medicare or Medicaid represent approximately 53 percent of patient services. Services for indigent patients and uninsured and underinsured patients are provided according to provisions of the SWMH Charity Care Policy and Patient Financial Assistance Program. During the fiscal year ended August 31, 2010, SWMH self-funded approximately $26.8 million to serve patients participating in the Medicare program, approximately $17.1 million to serve patients in the Texas Medicaid program and approximately $26.6 million to serve patients qualifying for charity care or financial assistance services. Please see Schedule H, included with this Form 990 for additional information concerning Medicare, Medicaid and other means tested services. SWMH also serves private pay patients and contracts with health plans and insurance companies to provide medical services for their participants.

The medical professionals and staff of SWMH continually strive to develop new and innovative procedures and processes to improve health care outcomes for patients and control the cost of medical care. During the fiscal year ended August 31, 2010, program development was initiated or continued leading to the creation of a Wound Team to lessen the incident of skin and ulcer problems associated with hospital confinement, a Pain Team to assist in management of pain issues resulting from surgery, trauma and illness and a Palliative Care Team

to assist patients and families dealing with hospice and end-of-life issues and choices. These teams consist of physicians, nurses, other medical professionals and counselors whose goal is to better serve the patient's needs, produce better outcomes and control the cost of healthcare delivery. Efforts by the Wound Team have resulted in a reduction of 9 percent in incidents related to community and hospital acquired pressure ulcers. Efforts by the Palliative Care Team are estimated to result in $3,500 in cost savings per patient and have been publicly commended by affected family members and attending physicians and nurses. Most of the costs associated with these services cannot be billed to government or commercial insurance providers and are self-funded by SWMH.

A team of SWMH medical professionals has developed the Stroke Program Initiative to more quickly and accurately evaluate the status of stroke victims, resulting in quicker, better treatment and outcomes. Through the use of telemedicine and with the assistance of Scott & White EMS first responders, a physician can view a stroke victims condition and assess treatment options before the victims arrival at the emergency room.

SWMH continues to move forward in efforts to achieve certification in a heart transplant program. Certification should be achieved during the fiscal year ending August 31, 2011. SWMH has received certification to perform kidney, liver, and certain bone marrow transplant procedures.

Form 990, Part III, Line 4b:

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

Program Service Accomplishments: Medical Education:

Scott & White is the primary teaching affiliate to the Texas A&M University System Health Science Center College of Medicine (the College of Medicine), with the SWMH main campus in Temple, TX being the primary Scott & White teaching location. Scott & White hospital and clinical facilities in College Station, TX and Round Rock, TX also participate in teaching activities. The College of Medicine is a fully accredited, seven year medical school. Currently, over 280 first, second, third and fourth year students receive their basic science and clinical training at Scott & White each year. Virtually all physicians on the Scott & White Clinic staff hold faculty appointments at the College of Medicine and teach classes for first through fourth year students. A full four year medical education program was recently initiated on the SWMH main campus in Temple. To support this expansion on its Temple campus, SWMH has committed to self-fund over $15 million to expand classroom and lab facilities, purchase equipment and provide support for faculty research projects aimed at promoting healthcare innovations and the College of Medicine. With support from Scott & White, the College of Medicine intends to expand to an annual class size of 200 during the next five years, with four year campus locations at Scott & White facilities in Temple, Round Rock and College Station. Scott & White also hosts rotations for fourth-year students from many other medical schools. In addition to the $15 million commitment to expand facilities to support expansion of the College of Medicine, SWMH self-funded approximately $4.3 million dollars in costs related to medical student education during the fiscal year ending August 31,

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

2010.

The Scott & White/Graduate Medical Education Program currently consists of 33 resident and fellowship programs, and 3 non-medical residency programs. All programs are accredited by the Accreditation Council for Graduate Medical Education and the training is recognized by the corresponding specialty boards. Approximately 390 residents and fellows received graduate medical training during the 2009-2010 academic year. SWMH self-funded approximately $35.5 million to support graduate medical education activities during the fiscal year ended August 31, 2010.

The main SWMH campus in Temple serves as the clinical campus for the Scott & White School of Nursing at the University of Mary Hardin-Baylor in Belton, TX. A baccalaureate degree program is offered through the School of Nursing. In addition, SWMH also facilitates the clinical training of registered nurses and licensed vocational nurses in cooperation with Temple College and Central Texas College in Killeen, TX. A Master's of Science in Nursing degree program is offered through Texas A&M University-Corpus Christi. In total, more than 1,400 nursing students rotate through SWMH and Scott & White Clinic annually. During the fiscal year ended August 31, 2010, SWMH self-funded approximately $1.3 million to support allied health education programs.

Scott & White also hosts allied health-training programs in its own name and in affiliation with other academic institutions. Most taught

by nationally recognized physicians and professionals. These training programs and seminars are open to all medical professionals. In fiscal year ended August 31, 2010, approximately 14,490 physicians and 4,430 medical professionals attended continuing medical education programs hosted by Scott & White and SWMH. SWMH self-funded approximately $500,000 in costs associated with continuing medical education programs during the fiscal year ended August 31, 2010.

Form 990, Part III, Line 4c:

Program Service Accomplishments: Research:

One of the cornerstones of SWMH's mission in providing quality patient care is its focus on research activities. Efficiencies are gained through innovation. The focus of much of the research is to find innovative, cost-effective ways to treat patients, while increasing patient safety, quality and focusing on better outcomes. SWMH has all of the research components to be able to take an idea from the research bench to the patient's bedside.

To facilitate such research is to focus significant efforts on outcomes based research. SWMH has established the Center for Applied Health Research ("CAHR"). This Center focuses on diverse research areas, and brings together expertise in many areas such as health services research, community based health research, patient centered safety and patient activation research, along with research mentoring and the academic development of clinicians. The center brings together collaborators from SWMH, Texas A&M Health Science Center and the Central Texas Veteran's Health Care System ("CTVHCS").

Within the CAHR, the Patient Engagement and Safety Research Program centers on a team perspective in patient care. This program partners patients, family members, clinicians and other community and healthcare providers to create the best possible healthcare outcomes. The research is based on clinical trials, clinical simulation models, program evaluations, patient education and common intervention strategies.

Another area of successful research is the Program on Aging and Care, focusing on geriatric research. Innovative techniques involve the preparation of older adults to interact with caregivers and planning for long-term care needs. The goal of this program is aimed toward promoting personalized, comprehensive, high quality medical care that will improve the health and quality of life of older adults and their caregivers. This program is nationally recognized and has secured federal grants.

The Health Outcomes Core conducts health services research focusing on severe mental illnesses and the management of care for patients with complex medical and psychiatric comorbidities. This group works jointly with SWMH, the CTVHCS, Darnall Army Medical Center at the U.S. Army's Fort Hood, and the Center of Excellence for Research on Returning War Veterans located in Waco, TX.

Clinical Simulation Research is another area directly impacting

patients' healthcare quality and safety. The Clinical Simulation Center was created, in collaboration with Temple College, to allow healthcare students and providers to design and test new processes and procedures prior to performing them on patients. The Clinical Simulation Center is used by medical and nursing students, residents, fellows, nurses and other healthcare providers. Simulation work enhances communication skills and performance of healthcare providers, preparing them for the realities of patient care.

SWMH is positioning itself to become a nationally recognized leader in cancer research and treatment. The Cancer Research Institute has been created to partner research and clinical care. The mission of the Cancer Research Institute is to find effective cancer therapies quickly and cost-effectively. In 2010 SWMH's Vasicek Cancer Treatment Center received the Outstanding Achievement Award from the Commission on Cancer of the American College of Surgeons.

SWMH has developed a virtual data warehouse which promotes Comparative Effectiveness Research. This virtual warehouse allows SWMH to share clinical and research data, in a HIPPA compliant format, with other research and healthcare organizations. By partnering with other institutes, the data necessary for effective research is quickly and readily available, resulting in larger and more comprehensive data pools and increasing the cost-effectiveness of research.

SWMH employs many physicians, scientists and technicians devoted to

various aspects of our research programs. In FY10, there were approximately 350 active research projects, of which approximately 20% were funded by NIH or other governmental sources.

Form 990, Part IV, Line 26 and Schedule L, Part II

Interested Party Loan:

Scott & White Clinic entered into a loan agreement in 2004 with a physician recruited by the Clinic. The purpose of the loan was to assist the physician with relocation costs. The physician in question was elected to the Clinic's Board of Directors in 2006. Details of the note are:

Borrower:	W. R. Smythe, M.D.
Title:	Chair, Dept of Surgery; Director
Original Loan Amount:	$150,000
Outstanding, August 31, 2010:	$73,172
Date of the Note:	March 2004
Current Maturity Date:	8/31/2017
Interest Rate:	5% per annum

Terms of the note were modified in 2006 and 2007, extending the note to August 31, 2017, and allowing forgiveness of annual principal and interest payments, provided the borrower remains employed by the Clinic. Annual debt forgiven per the note terms is included in the borrower's taxable compensation in the year of forgiveness. The borrower's annual compensation, including forgiveness, if any, is evaluated each year as part of the Clinic compensation review process.

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: Scott & White Memorial Hospital

Employer identification number: 74-1166904

This loan is reflected in the SWMH Form 990 at Part X, Balance Sheet, as beneficial ownership of all Scott & White Clinic assets is vested in SWMH.

Form 990, Part X, column (A):

The beginning balance sheet reported in the 2009 Form 990 and the audited financial statements have been restated to reflect the inclusion of Scott & White Health Plan in the Scott & White affiliated group. The transaction was recorded through an increase in Investment in Subsidiary and Equity by $48,853,057.

SCHEDULE O (Form 1120)

Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No 1545-0123

2010

Name	Employer identification number
Scott & White Memorial Hospital	74-1166904

Part I Apportionment Plan Information

1 Type of controlled group:
- a ☑ Parent-subsidiary group
- b ☐ Brother-sister group
- c ☐ Combined group
- d ☐ Life insurance companies only

2 This corporation has been a member of this group:
- a ☑ For the entire year.
- b ☐ From _____ , 20 _____ , until _____ , 20 _____ .

3 This corporation consents and represents to:
- a ☑ Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on December 31 , 20 09 , and for all succeeding tax years.
- b ☐ Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending _____ , 20 _____ , and for all succeeding tax years.
- c ☐ Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d ☐ Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____ , 20 _____ , and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:
- a ☐ Elected by the component members of the group
- b ☐ Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
- a ☐ No apportionment plan is in effect and none is being adopted.
- b ☐ An apportionment plan is already in effect. It was adopted for the tax year ending _____ , 20 _____ , and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
- a ☐ Yes.
  - (i) ☐ The statute of limitations for this year will expire on _____ , 20 _____ .
  - (ii) ☐ On _____ , 20 _____ , this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____ , 20 _____ .
- b ☐ No. The members may not adopt or amend an apportionment plan.

7 Required information and elections for component members. Check the applicable box(es) (see instructions).
- a ☐ The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income.
- b ☐ The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1) .
- c ☐ The corporation has a short tax year that does not include December 31.

Part II **Taxable Income Apportionment** (See instructions)

Caution: *Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket				
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) **Total** (add columns (c) through (f))
1 Scott & White Memorial Hospital	74-1166904	08/31	0	0	0	0	0
2 Scott & White Clinic	74-2958277	08/31	0	0	0	0	0
3 Scott & White Hospital - Round Rock	20-3749695	08/31	0	0	0	0	0
4 Scott & White Continuing Care Hospital	20-2850920	08/31	0	0	0	0	0
5 Scott & White EMS, Inc.	75-3242749	08/31	0	0	0	0	0
6 Scott & White Properties	74-2497061	08/31	0	0	0	0	0
7 Hillcrest Baptist Medical Center	74-1161944	08/31	0	0	0	0	0
8 Hillcrest Family Health Center	74-2730350	08/31	0	0	0	0	0
9 Hillcrest Physician Services	74-2967081	08/31	0	0	0	0	0
10 Hillcrest Health Holdings, Inc.	74-2793367	12/31	0	0	0	0	0
Total			0	0	0	0	0

Part III **Income Tax Apportionment** (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 Scott & White Memorial Hospital	0	0	0	0	0	0	0
2 Scott & White Clinic	0	0	0	0	0	0	0
3 Scott & White Hospital - Round Rock	0	0	0	0	0	0	0
4 Scott & White Continuing Care Hospital	0	0	0	0	0	0	0
5 Scott & White EMS, Inc.	0	0	0	0	0	0	0
6 Scott & White Properties	0	0	0	0	0	0	0
7 Hillcrest Baptist Medical Center	0	0	0	0	0	0	0
8 Hillcrest Family Health Center	0	0	0	0	0	0	0
9 Hillcrest Physician Services	0	0	0	0	0	0	0
10 Hillcrest Health Holdings, Inc.	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Part IV **Other Apportionments** (See instructions)

(a) Group member's name	Other Apportionments				
	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 Scott & White Memorial Hospital	250,000	40,000	310,000	1,000,000	0
2 Scott & White Clinic	0	0	0	0	0
3 Scott & White Hospital - Round Rock	0	0	0	0	0
4 Scott & White Continuing Care Hospital	0	0	0	0	0
5 Scott & White EMS, Inc.	0	0	0	0	0
6 Scott & White Properties	0	0	0	0	0
7 Hillcrest Baptist Medical Center	0	0	0	0	0
8 Hillcrest Family Health Center	0	0	0	0	0
9 Hillcrest Physician Services	0	0	0	0	0
10 Hillcrest Health Holdings, Inc.	0	0	0	0	0
Total					

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
Scott & White Memorial Hospital

Employer identification number
74-1166904

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Scott & White Healthcare - 26-4532547 2401 S 31st Street Temple, TX 76508	Healthcare	Texas	501(c)(3)	Line 11a, I	
Scott & White Hospital-Round Rock - 20-3749695, 2401 S 31st Street, Temple, TX 76508	Hospital services	Texas	501(c)(3)	Line 3	Scott & White Healthcare
Scott & White Continuing Care Hospital - 20-2850920, 2401 S 31st Street, Temple, TX 76508	Hospital services	Texas	501(c)(3)	Line 3	Scott & White Healthcare
Scott & White Clinic - 74-2958277 2401 S 31st Street Temple, TX 76508	Physician services	Texas	501(c)(3)	Line 9	Scott & White Healthcare

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Scott & White Properties, Inc. - 74-2497061 2401 S 31st Street Temple, TX 76508	Hotel services	TX	N/A	C CORP	0.	0.	.00%
Scott & White Assurance - 98-0589956 23 Lime Tree Bay Grand Cayman, CAYMAN ISLANDS	Captive insurance company	Cayman Islands	N/A	C CORP	0.	0.	.00%
Hillcrest Health Holdings, Inc. - 74-2793367 2401 S 31st Street Temple, TX 76508	Administration	TX	N/A	C CORP	0.	0.	.00%
Atumida - 27-0583030 2401 S 31st Street Temple, TX 76508	Research	TX	N/A	C CORP	0.	0.	.00%

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

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.		Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c		X
d Loans or loan guarantees to or for other organization(s)	1d		X
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n	X	
o Reimbursement paid to other organization for expenses	1o		X
p Reimbursement paid by other organization for expenses	1p	X	
q Other transfer of cash or property to other organization(s)	1q		X
r Other transfer of cash or property from other organization(s)	1r	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1) Scott & White Clinic	R	52,892,778.
(2) Scott & White Clinic	P	52,892,778.
(3) Scott & White Hospital Round Rock	N	27,360,980.
(4) Scott & White Hospital Round Rock	P	48,625,210.
(5) Scott & White Hospital Round Rock	R	1,981,855.
(6) Scott & White Continuing Care Hospital	N	7,282,261.

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

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

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

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Hillcrest Baptist Medical Center - 74-1161944, 100 Hillcrest Medical Blvd, Waco, TX 76708	Hospital services	Texas	501(c)(3)	Line 3	N/A
Scott & White EMS, Inc. - 75-3242749 2401 S 31st Street Temple, TX 76508	Emergency Transportation	Texas	501(c)(3)	Line 9	Scott & White Memorial Hospital
Scott & White Hospital-Brenham - 74-2519752 2401 S 31st Street Temple, TX 76508	Hospital services	Texas	501(c)(3)	Line 3	Scott & White Healthcare
Scott & White Healthcare Foundation - 27-3513154, 2401 S 31st Street, Temple, TX 76508	Fundraising	Texas	501(c)(3)	Line 7	Scott & White Healthcare
Scott & White Health Plan - 74-2052197 2401 S 31st Street Temple, TX 76508	HMO/Insurance	Texas	501(c)(4)		Scott & White Healthcare
Scott & White Hospital-Taylor - 74-1595711 2401 S 31st Street Temple, TX 76508	Hospital services	Texas	501(c)(3)	Line 3	Scott & White Healthcare
Scott & White Hospital-Llano - 27-3026151 2401 S 31st Street Temple, TX 76508	Hospital services	Texas	501(c)(3)	Line 3	Scott & White Healthcare
Scott & White Hospital-College Station - 27-4434451, 2401 S 31st Street, Temple, TX 76508	Hospital services	Texas	501(c)(3)	Line 3	Scott & White Healthcare
Brenham Hospital Services Corporation - 74-2605157, 2401 S 31st Street, Temple, TX 76508	Healthcare	Texas	501(c)(3)	Line 11a, I	Scott & White Healthcare
Scott & White Foundation-Brenham - 74-2460815, 2401 S 31st Street, Temple, TX 76508	Fundraising	Texas	501(c)(3)	Line 7	Scott & White Hospital-Brenham
Brenham Care Center - 74-2663229 2401 S 31st Street Temple, TX 76508	Healthcare	Texas	501(c)(3)	Line 9	Scott & White Hospital-Brenham
Hillcrest Family Health Center - 74-2730350 100 Hillcrest Medical Blvd Waco, TX 76708	Healthcare	Texas	501(c)(3)	Line 11c, III-FI	Hillcrest Baptist Medical Center

Part II Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
Hillcrest Physician Services - 74-2967081 100 Hillcrest Medical Blvd Waco, TX 76708	Physician Services	Texas	501(c)(3)	Line 11c, III-FI	Hillcrest Baptist Medical Center

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(7) Scott & White Continuing Care Hospital	P	8,294,517.
(8) Scott & White Continuing Care Hospital	R	490,475.
(9) Scott & White EMS	N	4,129,316.
(10) Scott & White EMS	P	2,510,674.
(11) Scott & White EMS	R	70,265.
(12) Scott & White Properties	P	1,378,458.
(13) Scott & White Properties	R	589,721.
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

EXHIBIT M

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Scott & White Memorial Hospital
10125901

[formerly: SCOTT AND WHITE MEMORIAL HOSPITAL AND SCOTT, SHERWOOD AND BRINDLEY FOUNDATION]

The undersigned, as Secretary of State of Texas, hereby certifies that a Restated Certificate of Formation for the above named domestic nonprofit corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 06/01/2010

Effective: 06/01/2010

Hope Andrade
Secretary of State

RESTATED CERTIFICATE OF FORMATION
OF
SCOTT AND WHITE MEMORIAL HOSPITAL AND SCOTT, SHERWOOD AND BRINDLEY FOUNDATION

A Texas Non-Profit Corporation

(Effective May 28, 2010)

FILED
In the Office of the
Secretary of State of Texas
JUN 01 2010
Corporations Section

AMENDED AND RESTATED CERTIFICATE OF FORMATION

ARTICLE ONE

The name of the corporation is Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation. The corporation hereby adopts this Restated Certificate of Formation which accurately copies the Charter and all amendments thereto that are in effect to date and as further amended by such Restated Certificate of Formation as hereinafter set forth and which contain no other change in any provision thereof.

ARTICLE TWO

The Charter of the Corporation is amended by the Restated Certificate of Formation as follows:

1. Update provisions with regard to the Business Organizations Code.
2. Update membership and change composition of the board of Directors of the corporation.
3. Change the name of the Corporation to Scott & White Memorial Hospital.
4. Adopt a sole corporate member form of governance.
5. Name Scott & White Healthcare as the Corporation's sole corporate member.

RECEIVED
JUN 01 2010
Secretary of State

Scott & White Memorial Hospital 74-1166904

ARTICLE THREE

Each such amendment made by the Restated Certificate of Formation has been effected in conformity with the provisions of the Texas Non-Profit Corporation Act and the Texas Business Organizations Code and such Restated Certificate of Formation and each such amendment made by the Restated Certificate of Formation were adopted on January 29, 2010 in the following manner:

The Restated Certificate of Formation and the amendments made by such Restated Certificate of Formation were adopted and approved pursuant to the Corporation's bylaws at a meeting of the Board of Trustees held on January 29, 2010, and received the vote of a majority of Trustees then in office, there being no members having voting rights in respect thereof.

ARTICLE FOUR

The Charter and all amendments thereto are hereby superseded by the following Restated Certificate of Formation, which accurately copy the entire text thereof, including any previous amendments and as amended as set forth above:

ARTICLE ONE
ENTITY NAME AND TYPE

The filing entity is a non-profit corporation. The name of the entity is Scott & White Memorial Hospital.

ARTICLE TWO
REGISTERED OFFICE AND AGENT

The registered agent is an individual resident of the state whose name is Jimmy L. Carroll, General Counsel. The business address of the registered agent and the registered office address is 2401 South 31st Street, Temple, Texas 76508.

Scott & White Memorial Hospital 74-1166104

ARTICLE THREE
BOARD OF DIRECTORS

The management of the affairs of the corporation is vested in the Board of Directors. The standards for a director designated as a Director shall be controlled by Chapter 22.221 of the Texas Business Organizations Code (BOC). The number of Directors constituting the Board of Directors and the names and addresses of the persons who are to serve as Directors until the next annual meeting of members or until their successors are elected and qualified are as follows.

NAME	ADDRESS
Drayton McLane, Jr.	2401 South 31st Street, Temple, Texas 76508
Andrejs Avots-Avotins, M.D.	2401 South 31st Street, Temple, Texas 76508
Madhave (Reddy) Beeram, M.D.	2401 South 31st Street, Temple, Texas 76508
Louis S. Casey, Jr.	2401 South 31st Street, Temple, Texas 76508
Nancy W. Dickey, M.D.	2401 South 31st Street, Temple, Texas 76508
Wayne Fisher	2401 South 31st Street, Temple, Texas 76508
Morris E. Foster	2401 South 31st Street, Temple, Texas 76508
Donald R. Grobowsky	2401 South 31st Street, Temple, Texas 76508
Alfred B. Knight, M.D.	2401 South 31st Street, Temple, Texas 76508
Wade L. Knight, M.D.	2401 South 31st Street, Temple, Texas 76508
Howard W. Kruse	2401 South 31st Street, Temple, Texas 76508
Ross McKnight	2401 South 31st Street, Temple, Texas 76508
Michael L. Middleton, M.D.	2401 South 31st Street, Temple, Texas 76508
Jim H. Mills	2401 South 31st Street, Temple, Texas 76508
L. Gill Naul, M.D.	2401 South 31st Street, Temple, Texas 76508
Lyndon L. Olson, Jr.	2401 South 31st Street, Temple, Texas 76508
Anita Perry	2401 South 31st Street, Temple, Texas 76508
Robert Probe, M.D.	2401 South 31st Street, Temple, Texas 76508
William L. Rayburn, M.D.	2401 South 31st Street, Temple, Texas 76508
Michael Reis, M.D.	2401 South 31st Street, Temple, Texas 76508
Glen E. Roney	2401 South 31st Street, Temple, Texas 76508
W. Roy Smythe, M.D.	2401 South 31st Street, Temple, Texas 76508

ARTICLE FOUR
MEMBER

The non-profit corporation shall have one corporate member, Scott & White Healthcare. The member shall have such rights and obligations as are set forth in the BOC, this Certificate of Formation, and the Bylaws of the Corporation.

Scott & White memorial Hospital 74-1166904

ARTICLE FIVE
PURPOSES

This non-profit corporation is established for the following purposes, which are not expressly prohibited under Chapters 2 or 22 of the BOC, including any purpose described by Chapter 2.002 of the BOC:

A. The Corporation is organized and shall be operated exclusively for charitable, educational, literary and scientific purposes, and the Corporation pledges its assets for use in performing those purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and corresponding provisions of any subsequent federal tax laws, by engaging directly in any business or activities permitted by the BOC in support of such purposes and by making distributions to other organizations for use, by the distributees, in support of such purposes, as described and limited in Articles Five and Six hereof, and, in furtherance of these purposes, the Corporation shall be organized and operated as set forth in this Article Five. The pledge set forth in the preceding sentence is intended, and shall be construed, to be a dedication of such assets to the accomplishment of the purposes of the Corporation and not to create a lien or security interest on the assets or the revenues of the Corporation or to limit the Corporation's ability to encumber its assets and revenues.

B. The Corporation shall, directly or through its affiliates and subsidiaries, own and/or operate health care facilities, provide health care services and engage in such other health care related activities as may be necessary or desirable, all for the purposes of:

1. Performing managerial, financial, educational, administrative, and custodial functions for its affiliated entities including the support of medical facilities or services for the use and benefit of the public.

2. Furnishing medical and health care services in any form, for the care, treatment and prevention of diseases within and without hospitals, without regard to the person's ability to pay in accordance with the charity policy adopted by the Corporation.

3. Providing for the construction, support, maintenance and operation of health care facilities; providing education in health care and disease prevention; and providing and maintaining a training institution for medical, nursing and allied health personnel.

4. Possessing all the powers authorized and allowed to non-profit charitable corporations, under the BOC, which do not, except to an insubstantial degree, represent any activities or powers that are not in furtherance of the exempt purposes of this Corporation.

5. Doing any and all other acts, things, business or businesses in any manner connected with or necessary, incidental, convenient, or auxiliary to any of the purposes hereinabove enumerated or calculated, directly or indirectly, to promote the charitable purposes of the Corporation.

Scott & White Memorial Hospital 74-1166904

ARTICLE SIX
MANNER OF DISTRIBUTION

The corporation is authorized on its winding up to distribute the non-profit corporation's assets in a manner other than as provided by Chapter 22.304 of the BOC. The manner of distribution is as follows:

Upon dissolution of the Corporation, after paying or making provision for the payment of all of the liabilities of the Corporation, any interest in any funds, property or assets of any kind, real, personal or mixed, shall not be transferred to private ownership, but shall be distributed exclusively to its Member, provided that in the event its Member is not then a Qualified Recipient (as hereinafter defined), the assets which would have been distributed to its Member shall be distributed by the Board of Directors, in its sole discretion, to an entity which is a Qualified Recipient. "Qualified Recipient" means an organization that is existing and qualified as exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

ARTICLE SEVEN
POWERS

The Corporation shall have the power to engage in any and all lawful activities incidental to the purposes of the Corporation; provided, however, that with respect to the exercise of such powers:

A. The Corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Code, or as a corporation, contributions to which are deductible under Section 170(c)(2) of the Code;

B. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, any Director or officer of the Corporation, or any other private individual (except that compensation may be paid and expenses may be paid or reimbursed for services rendered to or for the Corporation in furtherance of one or more of its purposes, provided that such compensation and expenses are reasonable and not excessive in amount); and

C. No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene (including the publishing or distribution of statements or otherwise) in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE EIGHT
LIMITATIONS OF POWER

Scott & White Memorial Hospital 74-1166904

8.01 Actions Requiring Approval of the Member. The following actions shall be taken only upon the approval of the Board of Directors of the Member, by majority vote, and approval of the Board of Directors of the Corporation shall not be required for such actions:

(a) Amendment, restatement or repeal of the Certificate of Formation or Bylaws of the Corporation.

(b) Sale, exchange, lease or other transfer of all or substantially all of the assets of the Corporation, including under Subchapter F of Chapter 11 of the BOC.

(c) Merger or consolidation of the Corporation, including a plan of merger under Subchapter F of Chapter 11 of the BOC.

(d) Dissolution of the Corporation.

(e) Election of members to the Board of Directors of the Corporation.

(f) Removal of a member of the Board of Directors of the Corporation.

(g) Creation of affiliates or subsidiaries of the Corporation, and approval of their initial governing documents.

(h) Incurrence of debt not otherwise included in the capital or operating budgets of the Corporation.

(i) Discontinuing the operations of a licensed health care facility controlled by the Corporation.

(j) Voluntary winding up under Chapter 11;

(k) Revocation of a voluntary decision to wind up under Chapter 11.151 of the BOC.

(l) Cancellation of an event requiring winding up under Chapter 11.152 of the BOC.

(m) A reinstatement under Chapter 11.202 of the BOC.

(n) A distribution plan under Chapter 22.305 of the BOC.

(o) A plan of conversion under Chapter 11, Subchapter F of the BOC.

(p) A plan of exchange under Chapter 11, Subchapter F of the BOC.

Scott & White Memorial Hospital 74-1166904

(q) Such other approval rights with respect to the Corporation as set forth in the Bylaws.

ARTICLE NINE
ACTION BY WRITTEN CONSENT

Any action required by the BOC to be taken at a meeting of the Directors of the Corporation, or any action that may be taken at a meeting of the Directors or of any committee, may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors or committee members as would be necessary to take that action at a meeting at which all of the Directors or members of the committee were present and voted.

ARTICLE TEN
LIMITATION OF LIABILITY

10.01 General Limitation of Liability for Directors.

(a) A Director shall discharge the Director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the Director reasonably believes to be in the best interest of the corporation.

(b) A Director is not liable to the Corporation, a member, or another person for an action taken or not taken as a Director if the Director acted in compliance with this section. A person seeking to establish liability of a Director must prove that the Director did not act:

(1) in good faith;

(2) with ordinary care; and

(3) in a manner the Director reasonably believed to be in the best interest of the Corporation.

10.02 Exceptions for Limitation of Liability of Directors (Directors). Pursuant to Chapter 7.001(b) of the BOC, a Director (Director) of the organization is not liable to the organization or its owners or members for monetary damages for an act or omission by the person in the person's capacity as a Director (Director), except that Chapter 7.001(b) does not authorize the elimination or limitation of the liability of a Director (Director) to the extent the person is found liable under applicable law for:

(1) a breach of the person's duty of loyalty, if any, to the Corporation or its owners or members;

Scott & White Memorial Hospital 74-1166904

(2) an act or omission not in good faith that:

(a) constitutes a breach of duty of the person to the Corporation; or

(b) involves intentional misconduct or a knowing violation of law;

(3) a transaction from which the person received an improper benefit, regardless of whether the benefit resulted from an action taken within the scope of the person's duties; or

(4) an act or omission for which the liability of a Director (Director) is expressly provided by an applicable statute.

10.03 Limitation of Liability of Officers. Pursuant to Chapter 22.235(a) of the BOC, an officer is not liable to the corporation or any other person for an action taken or omission made by the officer in the person's capacity as an officer unless the officer's conduct was not exercised:

(1) in good faith;

(2) with ordinary care; and

(3) in a manner the officer reasonably believes to be in the best interest of the Corporation.

This section shall not affect the liability of the Corporation for an act or omission of the officer.

10.04 Amendment of Statutes. If the BOC, the Charitable Immunity and Liability Act of 1987, as amended, or any federal or other state statute is amended to authorize the further elimination or limitation of the liability of Directors or officers of the Corporation, then the liability of a Director or officer of the Corporation shall be limited to the fullest extent permitted by the statutes of the State of Texas and the United States of America, as so amended, and such elimination or limitation of liability shall be in addition to, and not in lieu of, the limitation on the liability of a Director or officer of the Corporation provided by the foregoing provisions of this Article 10. Any repeal of or amendment to this Article 10 shall be prospective only and shall not adversely affect any limitation on the liability of a Director or officer of the Corporation existing at the time of such repeal or amendment.

ARTICLE ELEVEN
INDEMNIFICATION

11.01 Indemnification. The Corporation shall indemnify and advance expenses to any current or former Director, officer, committee member, employee, or agent of the Corporation, and their respective successors in interest, to the fullest extent allowed by the BOC, applicable federal and state law, this Certificate of Formation, the Bylaws, and the indemnification policies adopted from time to time by the THR Board of Directors. The Corporation shall have the power to purchase and maintain at its cost and expense insurance on behalf of such persons.

11.02 Limitation of Indemnification.

(a) The Corporation shall only indemnify a current or former Director, officer, committee member, employee, or agent of the Corporation who was, is, or is threatened to be made a respondent in a proceeding to the extent permitted by Chapter 8.102 of the BOC if it is determined in accordance with Chapter 8.103 of the BOC that:

(1) the person:
(A) acted in good faith;
(B) reasonably believed:
(i) in the case of conduct in the person's official capacity, that the person's conduct was in the Corporation's best interests; and

(ii) in any other case, that the person's conduct was not opposed to the Corporation's best interests; and
(C) in the case of a criminal proceeding, did not have a reasonable cause to believe the person's conduct was unlawful;

(2) with respect to expenses, the amount of expenses other than a judgment is reasonable; and

(3) indemnification should be paid.

(b) Action taken or omitted by a Director (Director) or delegate with respect to an employee benefit plan in the performance of the person's duties for a purpose reasonably believed by the person to be in the interest of the participants and beneficiaries of the plan if for a purpose that is not opposed to the best interests of the Corporation.

(c) Action taken or omitted by a delegate to another enterprise for a purpose reasonably believed by the delegate to be in the interest of the other enterprise or its owners or members is for a purpose that is not opposed to the best interests of the Corporation.

(d) A person does not fail to meet the standard under Subsection (a)(1) solely because of the termination of a proceeding by:

(1) judgment;
(2) order;
(3) settlement;
(4) conviction; or
(5) a plea of nolo contendere or its equivalent

ARTICLE TWELVE
AMENDMENT OF CERTIFICATE OF FORMATION AND BYLAWS

The power to amend the Certificate of Formation and Bylaws of the Corporation shall be exclusively reserved to the Member as set forth in the Bylaws of the Corporation. Other reserved powers may be set forth in the Bylaws.

ARTICLE THIRTEEN
CONFLICTS OF INTEREST

The Board of Directors shall, in the exercise of its overall duties and responsibilities, take such steps as it deems appropriate to avoid and resolve potential conflicts of interest between the personal interests of Directors and the activities and interests of the Corporation. Such steps shall include adopting and requiring compliance with duality and conflict of interest policies and procedures and providing a method for individuals to disclose and resolve potential conflicts of interest. All conflicts of interest shall be disclosed to the Board of Directors and made a matter of record.

ARTICLE FOURTEEN
EFFECTIVENESS OF FILING

This document becomes effective on May 28, 2010, and is filed by the Secretary of State.

ARTICLE FIFTEEN
EXECUTION

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Scott & White Memorial Hospital 74-1166904

Signed this 28 day of May, 2010.

SCOTT & WHITE MEMORIAL HOSPITAL

By: Jimmy L Carroll
Jimmy L. Carroll, ~~General Counsel~~ Assistant Secretary

Approved by Member: January 29, 2010

Scott & White Memorial Hospital 74-1166904

Form **8868**
(Rev January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return See instructions	Name of exempt organization	Employer identification number
	Scott & White Memorial Hospital	74-1166904
	Number, street, and room or suite no. If a P.O. box, see instructions. 2401 S. 31st Street	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Temple, TX 76508	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Mr. Dick L. Dixon 2401 S. 31st Street - Temple, TX 76508
  Telephone No. ▶ (254)724-4733 FAX No ▶ (254)724-6120
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until April 15, 2011, to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ [ ] calendar year _____ or
▶ [X] tax year beginning SEP 1, 2009, and ending AUG 31, 2010

2 If the tax year entered in line 1 is for less than 12 months, check reason. [ ] Initial return [ ] Final return
[ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$	0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit.	3b	$	0.
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions