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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 <div> <div>2009</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2009 calendar year, or tax year beginning 10-01-2009 and ending 09-30-2010				
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization SHANNON MEDICAL CENTER		D Employer identification number 75-2559845
		Doing Business As		E Telephone number (325) 481-8644
		Number and street (or P O box if mail is not delivered to street address) 120 E HARRIS AVENUE	Room/suite	G Gross receipts \$ 224,783,217
		City or town, state or country, and ZIP + 4 SAN ANGELO, TX 76903		
		F Name and address of principal officer BRYAN HORNER 120 E HARRIS AVENUE SAN ANGELO, TX 76903		
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)		
J Website: SHANNONHEALTH.COM		H(c) Group exemption number		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			L Year of formation 1994	M State of legal domicile TX

Part I		Summary		
Activities & Governance	1	Briefly describe the organization's mission or most significant activities OUR MISSION, IN FULFILLING OUR LEGACY, IS TO CREATE AN ENVIRONMENT COMMITTED TO THE VALUES OF ACCOUNTABILITY, SERVICE, PRIDE, INTEGRITY, RESPECT AND EXCELLENCE CONTINUED ON SCHEDULE O		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3 1	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 1	
	5	Total number of employees (Part V, line 2a)	5 2,00	
	6	Total number of volunteers (estimate if necessary)	6 12	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 366,60	
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b -103,00	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 137,570	Current Year 688,760
	9	Program service revenue (Part VIII, line 2g)	189,785,984	215,025,470
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,171,511	1,586,435
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,483,020	3,218,314
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	193,578,085	220,518,979
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	82,000	5,833
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	78,833,956	82,846,919
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	95,950,194	106,549,525
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	174,866,150	189,402,277
	19	Revenue less expenses Subtract line 18 from line 12	18,711,935	31,116,702
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 207,966,374	End of Year 236,180,979
	21	Total liabilities (Part X, line 26)	36,949,164	41,908,132
	22	Net assets or fund balances Subtract line 21 from line 20	171,017,210	194,272,847

Part II Signature Block	
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge
	<div> <div>*****</div> <div>Signature of officer</div> </div> <div> <div>2011-08-15</div> <div>Date</div> </div>
	<div>SHANE PLYMELL CFO</div> <div>Type or print name and title</div>
Paid Preparer's Use Only	<div> <div>Preparer's signature</div> <div>Amanda Maya</div> <div>Date</div> <div> <div>Check if self-employed</div> <div><input type="checkbox"/></div> </div> <div>Preparer's identifying number (see instructions)</div> </div>
	<div> <div>Firm's name (or yours if self-employed), address, and ZIP + 4</div> <div> <div>BKD LLP</div> <div>2800 Post Oak Blvd Ste 3200</div> <div>HOUSTON, TX 77056</div> </div> </div>
	<div> <div>EIN</div> <div>Phone no (713) 499-4600</div> </div>

1 Briefly describe the organization's mission

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

4a	(Code) (Expenses \$	146,543,893	including grants of \$	5,833) (Revenue \$	218,186,513)
	PROVIDING TOTAL MEDICAL CARE TO THE CITIZENS OF WEST TEXAS					










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

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

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

4e	Total program service expenses	\$ 146,543,893
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Part IV Checklist of Required Schedules

		Yes	No	
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4		No
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	116	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,008	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g	No
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	No
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12			10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b	
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders			11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	14	
b	Enter the number of voting members that are independent . . .	1b	11	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11		No
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ SHANNON MEDICAL CENTER 120 E HARRIS AVENUE SAN ANGELO, TX 76903 (325) 653-6741

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

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

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

Form 990 (2009)

1b Total	2,522,929	1,175,821	582,420
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶46

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SAN ANGELO EMERGENCY PHYSICIANS PA PO BOX 62566 SAN ANGELO, TX 76906	PHYSICIAN GROUP	807,550
CARDIOTHORACIC VASCULAR SURGEONS 1010 W 40TH ST AUSTIN, TX 78756	PHYSICIAN GROUP	769,201
SIEMENS MEDICAL SOLUTIONS INC PO BOX 12001 DALLAS, TX 75312	REPAIRS/MAINTENANCE	664,251
ENVISION TELEPHARMACY 503 E HANCOCK ALPINE, TX 79830	CONTRACT LABOR	575,243
JA THOMAS ASSOCIATES 3715 NORTHSIDE PARKWAY ATLANTA, GA 30327	CONSULTING GROUP	575,094

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 ▶15

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	688,760			
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f			688,760		
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 621,990	214,577,239	214,267,906	309,333	
	b	RENTAL INCOME	532,000	448,231	448,231		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f			215,025,470		
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,543,209		
4		Income from investment of tax-exempt bond proceeds . .		0			
5		Royalties		0			
6a		(i) Real					
		(ii) Personal					
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		(i) Securities					
		(ii) Other					
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		43,226			43,226
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
		a					
b		Less direct expenses					
c		Net income or (loss) from fundraising events . .		0			
9a	Gross income from gaming activities See Part IV, line 19						
	a						
b	Less direct expenses						
c	Net income or (loss) from gaming activities . .		0				
10a	Gross sales of inventory, less returns and allowances						
	a						
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . .		0				
Miscellaneous Revenue		Business Code					
11a	CAFETERIA		900,099	1,329,429	1,329,429		
	b REGIONAL CANCER TREATMENT		900,099	221,192	221,192		
	c MISCELLANEOUS REVENUE		900,099	1,667,693	1,610,422	57,271	
	d All other revenue						
	e Total. Add lines 11a-11d			3,218,314			
12	Total revenue. See Instructions			220,518,979	217,877,180	366,604	1,586,435

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	5,833	5,833		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,454,558		1,454,558	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	63,665,526	49,592,877	14,072,649	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,110,455	3,153,525	956,930	
9	Other employee benefits	8,754,430	6,716,363	2,038,067	
10	Payroll taxes	4,861,950	3,730,068	1,131,882	
11	Fees for services (non-employees)				
a	Management	322,696		322,696	
b	Legal	105,963		105,963	
c	Accounting	116,858	1,250	115,608	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	12,121,074	6,830,842	5,290,232	
12	Advertising and promotion	1,066,219	24,504	1,041,715	
13	Office expenses	4,660,170	435,331	4,224,839	
14	Information technology	1,986,011	144,999	1,841,012	
15	Royalties	0			
16	Occupancy	3,060,366	406,230	2,654,136	
17	Travel	352,320	209,368	142,952	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	9,076,483	4,665,645	4,410,838	
23	Insurance	1,037,311	1,951	1,035,360	
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	MEDICAL SUPPLIES	46,079,664	46,033,957	45,707	
b	BAD DEBT	21,383,845	21,383,845	0	
c	EQUIPMENT COSTS	3,071,915	2,397,372	674,543	
d	COLLECTION FEES	680,592	0	680,592	
e	LAB FEES	498,456	498,456	0	
f	All other expenses	929,582	311,477	618,105	
25	Total functional expenses. Add lines 1 through 24f	189,402,277	146,543,893	42,858,384	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			3,409,786	1	12,626,800
	2	Savings and temporary cash investments			5,922,889	2	3,739,591
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			18,891,612	4	18,485,033
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			256,217	7	248,950
	8	Inventories for sale or use			3,044,420	8	3,557,054
	9	Prepaid expenses and deferred charges			1,859,235	9	1,693,874
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	187,014,694	58,577,143	10c	59,075,699
	b	Less accumulated depreciation	10b	127,938,995			
	11	Investments—publicly traded securities			38,732,048	11	46,531,901
	12	Investments—other securities See Part IV, line 11			2,113,500	12	2,048,449
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets			812,555	14	784,536
	15	Other assets See Part IV, line 11			74,346,969	15	87,389,092
	16	Total assets. Add lines 1 through 15 (must equal line 34)			207,966,374	16	236,180,979
Liabilities	17	Accounts payable and accrued expenses			20,259,720	17	21,736,914
	18	Grants payable				18	
	19	Deferred revenue			2,025	19	2,025
	20	Tax-exempt bond liabilities				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				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			16,687,419	25	20,169,193
	26	Total liabilities. Add lines 17 through 25			36,949,164	26	41,908,132
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			104,376,863	27	115,558,229
	28	Temporarily restricted net assets			66,640,347	28	78,714,618
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			171,017,210	33	194,272,847
	34	Total liabilities and net assets/fund balances			207,966,374	34	236,180,979

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
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 . . .		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization SHANNON MEDICAL CENTER	Employer identification number 75-2559845
----------------------------------------------------	----------------------------------------------

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 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		
b33 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		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

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

SCHEDULE 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
SHANNON MEDICAL CENTER

Employer identification number
75-2559845

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? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

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) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure)<input type="checkbox"/> Preservation of an historically importantly land area<input type="checkbox"/> Protection of natural habitat<input type="checkbox"/> Preservation of a certified historic structure<input type="checkbox"/> Preservation of open space</div>											
2	Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
3	Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____											
4	Number of states where property subject to conservation easement is located ▶ _____											
5	Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____											
8	Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>											
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements											

Part III

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

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items	
	(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
	(ii) Assets included in Form 990, Part X	▶ \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items	
a	Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b	Assets included in Form 990, Part X	▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

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

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

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		5,122,978		5,122,978
b Buildings		68,603,379	43,671,123	24,932,256
c Leasehold improvements				
d Equipment		105,658,705	81,297,118	24,361,587
e Other		7,629,632	2,970,754	4,658,878
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				59,075,699

Schedule D (Form 990) 2009

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1220,518,979
2	Total expenses (Form 990, Part IX, column (A), line 25)	2189,402,277
3	Excess or (deficit) for the year Subtract line 2 from line 1	331,116,702
4	Net unrealized gains (losses) on investments	42,525,840
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-665,090
9	Total adjustments (net) Add lines 4 - 8	91,860,750
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1032,977,452

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1222,377,238
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a2,525,840	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d	2e2,525,840
3	Subtract line 2e from line 1	3219,851,398
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 7b4a	
b	Other (Describe in Part XIV)4b667,581	
c	Add lines 4a and 4b	4c667,581
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5220,518,979

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1189,399,786
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3189,399,786
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 7b4a	
b	Other (Describe in Part XIV)4b2,491	
c	Add lines 4a and 4b	4c2,491
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5189,402,277

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 8	OTHER CHANGES	INTEREST SWAP \$ 26,777 CONTRIBUTION RECORDED TO FUND BALANCE \$ 638,313 ----- \$ 665,090
FORM 990, PART XII, LINE 4B	INCOME ON FORM 990 NOT ON BOOKS	INTEREST SWAP \$ 26,777 GRANTS INCLUDED IN REVENUE ON AUDIT \$ 5,833 CONTRIBUTION INCLUDED IN EXPENSE ON AUDIT \$ 2,917 GAIN/LOSS ON DISPOSALS INCLUDED IN EXP ON AUDIT (\$ 6,336) DISPOSAL OF PLANT ASSET INCLUDED IN EXP ON AUDIT \$ 77 CONTRIBUTION RECORDED TO FUND BALANCE \$ 638,313 ----- \$ 667,581
FORM 990, PART XIII, LINE 4B	EXPENSES INCLUDED IN FORM 990 NOT ON BOOKS	GRANTS INCLUDED IN REVENUE ON AUDIT \$ 5,833 CONTRIBUTION INCLUDED IN EXPENSE ON AUDIT \$ 2,917 GAIN/LOSS ON DISPOSALS INCLUDED IN EXP ON AUDIT (\$ 6,336) DISPOSAL OF PLANT ASSET INCLUDED IN EXP ON AUDIT \$ 77 ----- \$ 2,491
UNCERTAIN TAX POSITIONS	SCHEDULE D, PART XIV	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS

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
SHANNON MEDICAL CENTER

Employer identification number
75-2559845

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			14,223,141		14,223,141	8 470 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			8,653,158	3,842,204	4,810,954	2 860 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			22,876,299	3,842,204	19,034,095	11 330 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			3,297	1,500	1,797	
f Health professions education (from Worksheet 5)			11,437		11,437	0 010 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			56,610	12,232	44,378	0 030 %
j Total Other Benefits			71,344	13,732	57,612	0 040 %
k Total. Add lines 7d and 7j			22,947,643	3,855,936	19,091,707	11 370 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
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 IIIBad 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	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	5,494,751
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	
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	73,940,541
6	Enter Medicare allowable costs of care relating to payments on line 5	6	65,588,189
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	8,352,352
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: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
9b	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	No

Part IVManagement Companies and Joint Ventures

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

[illegible]

Part VI

Supplemental Information

Complete this part to provide the following information

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

See additional data

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

See additional data

- 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

FINANCIAL ASSISTANCE BROCHURES ARE AVAILABLE IN EACH OF THE REGISTRATION AREAS THAT OUTLINE ACCESS TO INFORMATION ABOUT ASSISTANCE PROGRAMS WE ALSO HAVE CONTRACTED ELIGIBILITY WORKERS WHO SCREEN PATIENTS FOR ALL SOCIAL SERVICE PROGRAMS AND ASSIST WITH THE APPLICATION PROCESS IF NEEDED

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

See additional data

- 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

See additional data

- 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)

See additional data

- 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

See additional data

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

TX

Additional Data

Software ID:
Software Version:
EIN: 75-2559845
Name: SHANNON MEDICAL CENTER

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

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

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

COSTS FOR LINE 7 WERE CALCULATED USING AN OVERALL COST TO CHARGE RATIO CALCULATED BY THE HOSPITAL'S COST ACCOUNTING SYSTEM

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

NOT APPLICABLE

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

BAD DEBT EXPENSE OF \$21,383,845 WAS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT WAS SUBTRACTED FROM TOTAL EXPENSE FOR THE CALCULATION OF "PERCENT OF TOTAL EXPENSE" IN THIS COLUMN

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

FOOTNOTE DISCLOSURE REGARDING THE TREATMENT OF BAD DEBTS IS AS FOLLOWS THE SYSTEM REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS THE SYSTEM PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION, AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THE SYSTEM BILLS THIRD PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT AMOUNT REPORTED ON LINE 2 IS BASED ON BAD DEBTS PER THE AUDITED FINANCIAL STATEMENTS AFTER APPLYING THE COST TO CHARGE RATIO THE ORGANIZATION IS UNABLE TO ESTIMATE THE AMOUNT FOR LINE 3 AND HAS ELECTED TO LEAVE IT BLANK

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

THE RATIO OF COST TO CHARGES USED IN THE CALCULATION OF COSTS FOR MEDICARE WAS TAKEN FROM THE MEDICARE COST REPORT

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

SHANNON MEDICAL CENTER'S COLLECTION POLICY DOES NOT CONTAIN PROVISIONS ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE

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

IN ADDITION TO ROUTINE HOSPITAL AND SURGERY CENTER OPERATIONS, SHANNON MEDICAL CENTER OPERATES ONE
WOMEN'S IMAGING CENTER

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

A IN 2004, THE UNITED WAY OF THE CONCHO VALLEY CONDUCTED A COMPREHENSIVE NEEDS ASSESSMENT OF TOM GREEN COUNTY AND 13 OTHER SURROUNDING COUNTIES COUNTIES INCLUDED IN THE NEEDS ASSESSMENT ARE AS FOLLOWS COKE, CONCHO, CROCKETT, IRION, KIMBLE, MASON, MCCULLOCH, MENARD, REAGAN, RUNNELS, SCHLEICHER, STERLING, SUTTON, AND TOM GREEN SAN ANGELO AND TOM GREEN COUNTY SERVE AS THE HUB FOR THESE COUNTIES FOR TRADE AS WELL AS MEDICAL SERVICES THIRTEEN OF THE FOURTEEN COUNTIES ARE CONSIDERED RURAL OR "FRONTIER" BASED ON POPULATION AND PERSONS PER SQUARE MILE (SOURCE UW NEEDS ASSESSMENT 2004) THE RESULTS OF THE 2004 UNITED WAY NEEDS ASSESSMENT CONFIRM THAT SOCIAL AND HEALTH CONCERN ISSUES STATED IN THE SHANNON NEEDS ASSESSMENT 1994, CONTINUE TO RANK HIGH IN IMPORTANCE MANY YEARS LATER 1 SOCIAL CONCERNS (TOM GREEN COUNTY - COMMUNITY CONCERNS) MORE THAN HALF THE RESPONDENTS IN THE UNITED WAY 2004 COMMUNITY NEEDS ASSESSMENT NAMED THE FOLLOWING CONCERNS AS MAJOR OR MODERATE ISSUES OF CONCERN A TEEN PREGNANCY 77% B FAMILY VIOLENCE, ABUSE OF CHILDREN OR ADULTS 71% C LACK OF AFFORDABLE CARE FOR CHILDREN 65% D LACK OF AFFORDABLE CARE FOR THE ELDERLY 59% E RACIAL OR ETHNIC DISCRIMINATION 56% 2 HEALTH CONCERNS (TOM GREEN COUNTY COMMUNITY CONCERNS) A ALCOHOL/DRUG USE 82% B MENTAL ILLNESS OR EMOTIONAL ISSUES 56% C LACK OF AFFORDABLE MEDICAL CARE 79% D LACK OF ADEQUATE AFFORDABLE MEDICAL CARE 51% E HIV/AIDS 46% 3 TOP FIVE MAJOR ISSUES OVERALL (TOM GREEN COUNTY - HOUSEHOLD CONCERNS) A NOT HAVING ENOUGH MONEY TO PAY THE DOCTOR, BUY PRESCRIPTIONS, MEDICATIONS OR GET MEDICAL INSURANCE 43% B FINDING IT DIFFICULT TO BUDGET 40% C HAVING A LOT OF ANXIETY, STRESS OR DEPRESSION 36% D NOT BEING ABLE TO FIND WORK 31% E CHILDREN OR TEENAGERS EXPERIENCING BEHAVIOR OR EMOTIONAL ISSUES 29% B IN 2008, THE POPULATION OF TOM GREEN COUNTY HAD A HIGHER PERCENTAGE OF ELDERLY - 65 YEARS OR OLDER - THAN THE STATE AVERAGE 13 8% AND 10 2% RESPECTIVELY IN ADDITION, THE MEDIAN HOUSEHOLD INCOME LEVEL \$42,505 AND \$50,049 RESPECTIVELY THE INCIDENCE OF A MORE ELDERLY POPULATION AND LOWER INCOME POPULATION IN TOM GREEN COUNTY AS COMPARED TO THE NATIONAL LEVEL HAS BECOME A STATISTICAL TREND OVER THE LAST SEVERAL YEARS POVERTY LEVELS AND THE AGE OF THE POPULATION HAVE CONTRIBUTED TO AN INCREASE OF 20% IN THE CHARITY CARE CONTRIBUTION MADE BY SHANNON IN THE PAST TWELVE MONTHS ALONE (SOURCE U S CENSUS BUREAU STATE & COUNTY QUICKFACTS, 2007) (SOURCE U S CENSUS BUREAU STATE & COUNTY QUICKFACTS, 2007)

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

SHANNON, A NON-PROFIT HEALTH SYSTEM ESTABLISHED IN THE 1930'S, PROVIDES THE COMMUNITIES OF WEST CENTRAL TEXAS WITH A VARIETY OF MEDICAL SERVICES DEDICATED TO THE REGION'S HEALTH AND WELL-BEING, THE CENTER OFFERS DIVERSE CLINICAL SERVICES, INCLUDING A NATIONALLY-RECOGNIZED CARDIAC CARE PROGRAM, NATIONALLY-RECOGNIZED ICU, THE REGION'S ONLY LEVEL III TRAUMA FACILITY AND AIRMED 1 AIR AMBULANCE SERVING A 200-MILE RADIUS OF SAN ANGELO, A DEDICATED WOMEN'S & CHILDREN'S HOSPITAL WHICH IS HOME TO THE CHILDREN'S MIRACLE NETWORK, AND THE MOST EXTENSIVE SENIOR HEALTH SERVICES IN THE CONCHO VALLEY THE ESTIMATED POPULATION FOR ALL THE COUNTIES AS OF 2009, INCLUDING TOM GREEN COUNTY, IS 266,405 THE OUTER COUNTIES ARE BROWN, COKE, COLEMAN, CONCHO, CROCKETT, IRION, KIMBLE, MASON, MCCULLOCH, MENARD, MILLS, REAGAN, RUNNELS, SAN SABA, SCHLEICHER, STERLING, SUTTON, AND VAL VERDE (SOURCE U S CENSUS BUREAU, STATE & COUNTY QUICKFACTS) OUR GOAL IS TO PROVIDE OUR PATIENTS WITH THE MOST COMPASSIONATE AND EFFICIENT SERVICE WHILE ENSURING THE HIGHEST QUALITY CARE TOM GREEN COUNTY'S POPULATION IN 2009 IS REPORTED AT 108,378 THE CITY OF SAN ANGELO SERVES AS THE COUNTY SEAT AND POPULATION CENTER OF TOM GREEN COUNTY, WITH AN ESTIMATED POPULATION IN 2009 OF 92,147 A BREAKDOWN OF TOM GREEN COUNTY DEMOGRAPHICS IS AS FOLLOWS (SOURCE U S CENSUS BUREAU, STATE & COUNTY QUICKFACTS, THE COUNTY INFORMATION PROJECT, TEXAS ASSOCIATION OF COUNTIES) A TOM GREEN COUNTY AGE DISTRIBUTION 1 UNDER 18 YEARS OLD - 24 1% (26,119) 2 18-64 YEARS OLD - 62% (67,194) 3 65 YEARS AND OLDER - 13 9% (15,065) B TOM GREEN COUNTY ETHNIC DISTRIBUTION (MORE THAN ONE CATEGORY MAY BE SELF-REPORTED) 1 CAUCASIAN - 58 4% (63,293) 2 HISPANIC - 35 1% (38,041) 3 BLACK - 4 4% (4,768) 4 OTHER - 2 1% (2,276) C TOM GREEN COUNTY (HOUSEHOLD) 1 MEDIAN HOUSEHOLD INCOME - \$40,399 (TEXAS \$50,049) 2 PERSONS LIVING BELOW POVERTY LEVEL - 16 2% (TEXAS 15 8%) D TOM GREEN COUNTY HEALTH INDEX 1 TOM GREEN COUNTY UNINSURED - 25 2% (TEXAS 26 8%, UNITED STATES 16 7%) (SOURCE U S CENSUS BUREAU, SMALL AREA HEALTH INSURANCE ESTIMATES, 2007, U S CENSUS BUREAU, INCOME, POVERTY, AND HEALTH COVERAGE IN THE UNITED STATES 2009)

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

AS THE ISSUES OF PROVIDING HEALTHCARE FOR THE UNINSURED AND THE UNDERINSURED IN TOM GREEN COUNTY AS WELL AS OUR SURROUNDING NINETEEN COUNTIES HAVE CONTINUED TO BECOME MORE APPARENT, SHANNON LEADERSHIP HAS BEEN INVOLVED WITH WORKING INTERNALLY AND EXTERNALLY ON IMPROVING ACCESS FOR ALL PATIENTS WHILE BALANCING QUALITY AND COSTS DR IRV ZEITLER, VICE PRESIDENT OF MEDICAL AFFAIRS AT SHANNON MEDICAL CENTER, ALSO SERVES AS PRESIDENT OF THE TEXAS MEDICAL BOARD APPOINTED BY GOVERNOR RICK PERRY IN 2008, ZEITLER'S ROLE IS TO ENSURE TEXAS PATIENTS ARE SAFE THROUGH LICENSURE AND REGULATION OF STATE PHYSICIANS SHANNON MEDICAL CENTER'S TRAUMA SERVICE DEPARTMENT COORDINATES THE ANNUAL GUS ECKHARDT TRAUMA SYMPOSIUM THIS IS A FULL DAY OF TRAUMA RELATED EDUCATION FOR ALL HEALTH CARE PRACTITIONERS IN THE REGION APPROXIMATELY 150 PHYSICIANS, NURSES, EMTS, STUDENTS, AND ALLIED HEALTH PROFESSIONALS ATTENDED THE 2010 SYMPOSIUM INJURY PREVENTION MATERIAL COVERING TOPICS SUCH AS BICYCLE SAFETY, CHILD PASSENGER SAFETY, FALL PREVENTION, AND HOME SAFETY TIPS ARE CONTINUALLY PROVIDED BY HEALTH CARE PROFESSIONALS TO TAKE AND DISTRIBUTE AT THEIR PRACTICE AND THEIR COMMUNITY IN 2010 THE TRAUMA SERVICES DEPARTMENT DEVELOPED AN INJURY PREVENTION FOCUSED ON PREVENTING CHILD DEATHS DUE TO BEING LEFT IN HOT VEHICLES SAFETY LANYARDS TO BE USED AS A REMINDER THAT A CHILD IS IN THE CAR SEAT WERE PURCHASED AND DISTRIBUTED AT MULTIPLE VENUES IN SAN ANGELO ALSO, TRAUMA SERVICES, IN CONJUNCTION WITH THE CONCHO VALLEY REGIONAL ADVISORY COMMITTEE ON TRAUMA, DISTRIBUTED SMOKE ALARMS AND FIRE EXTINGUISHERS TO CITIZENS OF SAN ANGELO AND THE CONCHO VALLEY SAN ANGELO STANDARD TIMES AND KLST CONTINUE TO WORK WITH THE DEPARTMENT TO PROVIDE INFORMATION ON SAFETY AND INJURY PREVENTION THIS YEAR WE ARE CURRENTLY PLANNING A BICYCLE RODEO TO TEACH CHILDREN BICYCLE SAFETY AND DISTRIBUTE PROPERLY FITTING HELMETS FREE OF CHARGE DIABETES PREVENTION PROGRAM THE TEXAS DEPARTMENT OF HEALTH & HUMAN SERVICES PROVIDES \$80,000 FOR A MULTI-COMPONENT DIABETES PREVENTION PROGRAM ONE COMPONENT OF THE PROGRAM IS DESIGNED TO PROVIDE EDUCATION REGARDING DIABETES, AND HOW NUTRITION AND EXERCISE COMBINED CAN SERVE AS A PREVENTATIVE THERE IS ALSO AN EXERCISE COMPONENT THAT IS OPEN TO THE PUBLIC AT NO CHARGE, AND IS DIRECTED BY A LICENSED PHYSICAL TRAINER AND NUTRITIONIST THE EXERCISE CLASSES ARE OFFERED TWICE WEEKLY THE EDUCATIONAL COMPONENT IS BY APPOINTMENT, AND IS ALSO FREE OF CHARGE AND REQUIRES NO REFERRAL SHANNON CONTRIBUTES APPROXIMATELY \$33,826 IN SUPPORT OF THIS PROGRAM 1 DIABETES EDUCATION - SHANNON REACHED 1,000 PROVIDERS AND PRACTITIONERS THROUGH SEMINARS AND DISTRIBUTION OF EDUCATIONAL MATERIALS DURING THIS PERIOD IN ADDITION, APPROXIMATELY 900 PERSONS PARTICIPATED IN DIABETES PREVENTION LIFESTYLE CLASSES AND EDUCATION DURING THIS PERIOD AS FOLLOWS A LIFESTYLE CLASSES IN ENGLISH - 297 PARTICIPANTS B LIFESTYLE CLASSES IN SPANISH - 25 PARTICIPANTS C PHYSICAL ACTIVITY GROUPS AND EVENTS - 304 PARTICIPANTS D FOOD AND NUTRITION CLASSES - 282 PARTICIPANTS E GESTATIONAL CLASSES ENGLISH - 49 CLASSES F GESTATIONAL CLASSES SPANISH - 1 CLASS

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

IN A COUNTY WITH NO HOSPITAL TAXING AUTHORITY, A HOSPITAL WHOSE MISSION REFLECTS COMMITMENT TO TREATING PATIENTS WITHOUT REGARD TO ABILITY TO PAY IS A HIGHLY DESIRABLE AND PIVOTAL POINT OF COMMUNITY HEALTH CARE FOR 75 YEARS, SHANNON MEDICAL CENTER HAS EMBRACED SUCH A MISSION AND FOLLOWS THROUGH ON THE WISHES OF OUR BENEFACTOR, MARGARET SHANNON, IN PROVIDING CARE FOR THE PEOPLE OF WEST TEXAS OUR 2009 - 2010 CHARITY CARE FIGURE OF MORE THAN \$55,300,000 WOULD BE A BURDEN TO THE TAXPAYERS OF TOM GREEN COUNTY, AND MANY OTHER COUNTIES WHOSE CITIZENS DIRECTLY BENEFIT FROM HER GENEROSITY SHANNON ASSOCIATES PROVIDE LEADERSHIP ON VOLUNTEER BOARDS AND IN VOLUNTEER ACTIVITIES FOR MANY NONPROFIT ORGANIZATIONS IN THE COMMUNITY AND CONTRIBUTED OVER \$91,000 IN CONTRIBUTIONS TO THE ORGANIZATIONS PROGRAMS SUCH AS AIRMED1, CHILDREN'S MIRACLE NETWORK, PHARMACEUTICAL ASSISTANT PROGRAM, RIGHT CHOICES FOR YOUTH AND UNITED WAY WHICH IN TURN BENEFIT THE COMMUNITY

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

OTHER ENTITIES OF THE SYSTEM OPERATE EXCLUSIVELY FOR THE SUPPORT AND BENEFIT OF AND TO ASSIST IN CARRYING OUT THE PURPOSES OF SHANNON MEDICAL CENTER WHICH ARE TO PROMOTE HEALTH, PROVIDE HEALTHCARE, EDUCATE THE PUBLIC AND RELEVANT PROFESSIONS AS TO THE BENEFITS OF PROPER HEALTH CARE, PROVIDE TRAINING AND EDUCATION TO INDIVIDUALS INVOLVED IN THE PROMOTION OR PROVISION OF HEALTH CARE AND UNDERTAKE ANY OTHER ACTIONS TO PROVIDE AND ENHANCE QUALITY OF HEALTH CARE SOME PROGRAMS WITHIN THESE ENTITIES INCLUDE CHILDREN'S MIRACLE NETWORK 100% OF EVERY DOLLAR CONTRIBUTED TO CHILDREN'S MIRACLE NETWORK LOCALLY STAYS AT SHANNON MEDICAL CENTER FOR THE BENEFIT OF THE CHILDREN THROUGHOUT THE CONCHO VALLEY THESE FUNDS ENHANCE CHILDREN'S HEALTH CARE THROUGH THE PURCHASE OF NEW MEDICAL EQUIPMENT PROVIDING NEEDED CARE, FUNDING HEALTH EDUCATION PROGRAMS AND PROVIDING FOR SPECIAL PATIENT NEEDS IN 2009-2010, 16,870 CHILDREN WERE TREATED SHANNON SPORTING CLAY SHOOT IN 2010, SHANNON'S ANNUAL CLAY SHOOT RAISED \$138,396 FOR ONCOLOGY, AIRMED 1, EMERGENCY DEPARTMENT, TRAUMA SERVICES, ASTHMA CAMP AND NURSE EDUCATION - SHANNON SERVES MORE THAN 1,100 PATIENTS EACH YEAR THROUGH ITS OUTPATIENT CHEMOTHERAPY AND ONCOLOGY FUND THE ONCOLOGY ANGEL FUND PROVIDES ASSISTANCE FOR THESE PATIENTS FOR MEDICATIONS AND OTHER EXPENSES NOT COVERED BY INSURANCE - AIRMED1 SERVES AS THE CONCHO VALLEY'S ONLY AIR AMBULANCE, BRINGING CRITICAL EMERGENCY CARE DIRECTLY TO THE PATIENT PROCEEDS WERE USED TO PROVIDE EQUIPMENT AND EDUCATION TO THESE ORGANIZATIONS TO FURTHER IMPROVE PATIENT OUTCOMES - SHANNON'S ED SEES MORE THAN 45,000 PATIENTS EACH YEAR THE DEPARTMENT IS UPGRADING ITS TECHNOLOGY TO FURTHER ACCELERATE AND SHARE DATE, EXPEDITING PATIENT CARE - THE NURSE EDUCATION FUND PROVIDES FUNDS TO NURSING STAFF FOR SPECIALIZED WORKSHOPS AND CONFERENCES OUTSIDE THE ORGANIZATION - THROUGH THE EDUCATION PROVIDED AT THE 3 DAY ASTHMA CAMP, CHILDREN ARE MORE SUCCESSFUL IN CONTROLLING THEIR ASTHMA SYMPTOMS AND REDUCING THE NUMBER OF DOCTOR VISITS AND HOSPITAL STAYS SUBSIDIZED HEALTH SERVICES THROUGH THE PHARMACEUTICAL ASSISTANCE PROGRAM, 21,207 PRESCRIPTIONS WERE FILLED AT A NET COMMUNITY BENEFIT EXPENSE OF \$114,954 RIGHT CHOICES FOR YOUTH RIGHT CHOICES FOR YOUTH (RCY) IS A CLASSROOM, CURRICULUM-BASED EDUCATIONAL PROGRAM THAT TEACHES THE HEALTH BENEFITS OF ABSTINENCE BEFORE MARRIAGE, AND PROVIDES STUDENTS WITH TOOLS SUCH AS REFUSAL SKILLS, GOAL SETTING, RISK AVOIDANCE, AND ALTERNATIVE ACTIVITIES RCY IS TAUGHT IN 21 SCHOOL DISTRICTS ON 27 CAMPUSES IN THE CONCHO VALLEY AN ADDITIONAL \$570,994 IN FUNDING IS PROVIDED BY THE ADMINISTRATION OF CHILDREN & FAMILIES, COMMUNITY BASED ABSTINENCE EDUCATION GRANT CAROL M WHITE PHYSICAL EDUCATION (PEP) GRANT IN 2007, SHANNON HEALTH & WELLNESS INITIATED THE COMPREHENSIVE APPROACH TO CHILD HEATH PROGRAM, (CATCH) IN MOTION, WHICH NOW SERVES 33 SCHOOLS IN THE CONCHO VALLEY THE CATCH PROGRAM BRINGS EDUCATION ON HEALTHY EATING AND INCREASED PHYSICAL ACTIVITY TO YOUTH GRADES K-5, THEIR PARENTS, AS WELL AS FOOD SERVICE WORKERS, CLASSROOM TEACHERS AND PE TEACHERS SPECIFIC NUTRITION INSTRUCTION IS GIVEN, AND PHYSICAL ACTIVITY IS INCORPORATED INTO HOME AND SCHOOL APPROXIMATELY 12,000 STUDENTS ARE SERVED BY THE CATCH PROGRAM THE CAROL M WHITE PHYSICAL EDUCATION PROGRAM IS FUNDED THROUGH A GRANT FROM THE DEPARTMENT OF EDUCATION IN THE AMOUNT OF \$451,786 SHANNON, ALONG WITH VOLUNTEERS IN LOCAL SCHOOL DISTRICTS, PROVIDED \$155,882 IN ADDITIONAL FUNDS IN SUPPORT OF THIS PROGRAM A ADDITIONAL COMMUNITY HEALTH EDUCATION PROGRAMS 1 ASTHMA CAMP - SINCE 2004, THIS MEDICALLY SUPERVISED CAMP HAS PROVIDED CHILDREN WHO HAVE BEEN DIAGNOSED WITH ASTHMA EDUCATION ON TOPICS INCLUDING "WHAT IS ASTHMA," RECOGNIZING SIGNS AND SYMPTOMS, KNOWING AND AVOIDING TRIGGERS, MEDICATIONS (KNOWING THE DIFFERENCE BETWEEN RELIEVERS AND CONTROLLERS), AND THE IMPORTANCE OF COMPLIANCE AND USING ACTION PLANS THE EDUCATION IS PROVIDED BY HEALTH CARE PROFESSIONALS 2 CATCH A FIT LIFE - A ONE-DAY FITNESS AND NUTRITION EVENT, COLLABORATING WITH ASU, BOYS & GIRLS CLUB, YMCA AND COMMUNITY ORGANIZATIONS TO EDUCATE YOUTH AND FAMILIES AS WELL AS TO PROVIDE A SHOWCASE FOR LOCAL GROUPS SUCH AS SUPER SQUAD AND LOCAL ELEMENTARY SCHOOLS THE TOTAL VALUE OF GRANT SERVICES AND SHANNON SUPPORT FOR OFFERING THESE FREE PROGRAMS TO THE COMMUNITY IS \$1,292,488, PROVIDING FREE HEALTH SERVICES AND INFORMATION TO APPROXIMATELY 40,000 PERSONS ANNUALLY

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," to 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
SHANNON MEDICAL CENTER

Employer identification number
75-2559845

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" 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 ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
LA ESPERANZA CLINIC 1610 S CHADBOURNE ST SAN ANGELO,TX 76903	742699762	501 (3) (C)	5,833				CHARITABLE

2

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

1

3

Enter total number of other organizations

0

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

[illegible]

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

[illegible]

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
SHANNON MEDICAL CENTER

Employer identification number
75-2559845

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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
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 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				
BRYAN HORNER	(i)	457,484	0	0	30,380	39,318	527,182	0
	(ii)	0	0	0	0	0	0	0
EMMETE FLYNN MD	(i)	16,500	0	0	0	0	16,500	0
	(ii)	457,355	0	0	75,383	11,723	544,461	0
MICHELLE SNUGGS MD	(i)	17,150	0	0	0	0	17,150	0
	(ii)	488,028	0	0	92,043	14,919	594,990	0
KELLY SHANE PLYMELL	(i)	225,252	0	14,885	28,210	14,649	282,995	0
	(ii)	0	0	0	0	0	0	0
DR IRVIN ZEITLER	(i)	306,319	0	16,053	42,549	12,495	377,416	0
	(ii)	3,500	0	0	0	0	3,500	0
WILMA STUART	(i)	201,999	0	0	22,440	8,876	233,315	0
	(ii)	0	0	0	0	0	0	0
PATRICIA TIPTON	(i)	267,339	0	0	30,380	4,306	302,025	0
	(ii)	0	0	0	0	0	0	0
MARVIN HILL	(i)	261,244	0	0	30,380	5,768	297,392	0
	(ii)	0	0	0	0	0	0	0
LANCE KEILERS	(i)	136,716	16,683	0	14,600	7,736	175,735	0
	(ii)	0	0	0	0	0	0	0
JAMES NAYLOR	(i)	151,465	0	0	15,147	8,510	175,122	0
	(ii)	0	0	0	0	0	0	0
TIMOTHY HARTIN	(i)	183,740	0	23,520	34,591	14,870	256,721	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
NAMES, AMOUNTS, AND DETAILS OF ARRANGEMENTS	PART 1, QUESTION 4	SERP DETAIL NAME AMOUNT BRYAN HORNER NONE 457(F) DETAIL NAME AMOUNT TIMOTHY HARTIN 15,538 DR IRVIN ZEITLER 12,169
PROVIDED HEALTH, SOCIAL DUES OR INITIATION FEES	SCHEDULE J, PART I, QUESTION 1A	BRYAN HORNER AND KELLY SHANE PLYMELL RECEIVE MEMBERSHIP TO BENTWOOD COUNTRY CLUB EXCLUSIVELY FOR BUSINESS USE. ANY PERSONAL USE IS REIMBURSED BY THE OFFICER AND THEREFORE NO AMOUNTS ARE REPORTABLE ON THEIR FORM W-2'S.

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
SHANNON MEDICAL CENTER

Employer identification number
75-2559845

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DIANE ZEITLER	IRVIN ZEITLER'S SPOUSE	128,357	EMPLOYED BY SMC		No

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization SHANNON MEDICAL CENTER	Employer identification number 75-2559845
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Identifier	Return Reference	Explanation
PROCESS FOR MONITORING COMPLIANCE WITH CONFLICT OF INTEREST POLICY	FORM 990, PART VI, QUESTION 12C	WE REGULARLY AUDIT FOR CONFLICT OF INTEREST STATEMENTS IN THE EMPLOYEES RECORDS PROCEDURE FOR MONITORING 1 WITHIN 90 DAYS OF BECOMING AN AFFECTED INDIVIDUAL, THAT INDIVIDUAL MUST REVIEW THIS POLICY AND COMPLETE AN SMC CONFLICT OF INTEREST DISCLOSURE FORM 2 AT LEAST ANNUALLY THEREAFTER, AFFECTED INDIVIDUALS MUST REVIEW THIS POLICY AND COMPLETE A CONFLICT OF INTEREST DISCLOSURE FORM 3 THE CONFLICT OF INTEREST DISCLOSURE FORM SHOULD BE SENT TO THE SMC COMPLIANCE OFFICER 4 AT ANY TIME WHEN AN ACTUAL, POTENTIAL, OR PERCEIVED CONFLICT OF INTEREST ARISES, THE AFFECTED INDIVIDUAL MUST REVISE HIS OR HER CONFLICT OF INTEREST DISCLOSURE FORM AND CONTACT THE SMC COMPLIANCE OFFICER THE RESPONSIBILITY TO PROMPTLY REPORT SUCH ACTUAL OR POTENTIAL CONFLICTS RESTS WITH THE AFFECTED INDIVIDUAL 5 THE SMC COMPLIANCE OFFICER WILL REVIEW DISCLOSURES AND DETERMINE WHICH REQUIRE FURTHER ACTION WITH THE SMC GENERAL COUNSEL AND APPROPRIATE SMC EXECUTIVE STAFF

Identifier	Return Reference	Explanation
REVIEW OF COMPENSATION	FORM 990, PART VI, QUESTION 15A & 15B	INTEGRATED HEALTH STRATEGIES DID AN EXECUTIVE COMPENSATION STUDY IN JUNE 2010 AND IT COVERED ALL EXECUTIVE SALARIES. EXECUTIVE COMPENSATION IS REVIEWED ANNUALLY BY THE BOARD OF TRUSTEES' OPERATIONS COMMITTEE, WHICH CONSULTS COMPARABILITY DATA AND KEEPS CONTEMPORANEOUS RECORDS OF ITS DECISIONS.

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

Identifier	Return Reference	Explanation
ORGANIZATIONS MISSION CONTINUED	FORM 990 PART I QUESTION 1 & PART III QUESTION 1	WE WILL FOSTER GROWTH TOWARD THE HIGHEST QUALITY OF CARE AND CUSTOMER SERVICE AND WILL STRIVE FOR EFFICIENT FINANCIAL PERFORMANCE WE WILL HIRE AND DEVELOP THE BEST PEOPLE TO ACCOMPLISH THE TASKS

Identifier	Return Reference	Explanation
SOLE MEMBER	FORM 990 PART VI, QUESTION 6	MARGARET SHANNON ESTATE, A TESTAMENTARY TRUST, IS THE SOLE MEMBER OF THE ORGANIZATION

Identifier	Return Reference	Explanation
BOARD OF DIRECTORS ELECTION ABILITIES	FORM 990 PART VI, QUESTION 7A	THE BOARD OF DIRECTORS SHALL CONSIST OF EACH OF THE SEVEN TRUSTEES OF THE MARGARET SHANNON ESTATE, A TESTAMENTARY TRUST THE OTHER DIRECTORS SHALL CONSIST OF REPRESENTATIVES OF THE COMMUNITY AND MEMBERS OF THE MEDICAL STAFF OF THE HOSPITAL, TO NUMBER IN AGGREGATE NOT MORE THAN SEVEN WHO ARE APPOINTED BY THE MEMBER AND THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION

Identifier	Return Reference	Explanation
RELATED COMPENSATION HOURS WORKED	FORM 990 PART VII	AVG HOURS WORKED FOR RELATED ORG IRV IN ZEITLER 4 BRYAN HORNER 8 SHANE PLYMELL 8 LEN MERTZ 18 ROBERT ECKERT 3 OTHER OFFICERS AND DIRECTORS LISTED IN PART VII DEVOTED AN AVERAGE OF 1 HOUR PER WEEK TO RELATED ORGANIZATIONS

Identifier	Return Reference	Explanation
REVIEW OF FORM 990	FORM 990 PART VI QUESTION 11A	THE ORGANIZATION ENGAGES AN OUTSIDE ACCOUNTING FIRM TO PREPARE FORM 990. ONCE PREPARED, THE FORM IS REVIEWED BY THE ORGANIZATION'S INTERNAL ACCOUNTANTS PRIOR TO FILING. THE ORGANIZATION'S FINANCE COMMITTEE WILL REVIEW AFTER THE FORM IS FILED.

Identifier	Return Reference	Explanation
DECISIONS OF THE GOVERNING BODY SUBJECT TO APPROVAL	FORM 990, PART VI, QUESTION 7B	APPROVAL OF THE SOLE MEMBER, THE TRUSTEES OF SHANNON WEST TEXAS MEMORIAL HOSPITAL, IS REQUIRED FOR BUDGETS, LARGE FINANCIAL EXPENDITURES THAT DEVIATE FROM BUDGET, SALE OF PROPERTY , MERGER, ACQUISITION, OR CONSOLIDATION, BORROWING OF MONEY , SEEKING OR GIVING GRANTS, SETTLEMENT OF CLAIMS OR LITIGATION, AMENDMENT OF BY LAWS, AND CONTRACT IN WHICH THE CORPORATION ASSUMES FINANCIAL RISK

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
SHANNON MEDICAL CENTER

Employer identification number
75-2559845

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
TRUSTEES SHANNON WEST TEXAS HOSPITAL PO BOX 49 SAN ANGELO, TX 76902 75-0800679	TRUST	TX	501(C)(3)	11B	NA
SHANNON RURAL HEALTH CLINICS INC 120 E HARRIS AVE SAN ANGELO, TX 76903 75-2940211	HEALTHCARE	TX	501(C)(3)	11C	NA
SHANNON REAL ESTATE SERVICES INC 120 E HARRIS AVE SAN ANGELO, TX 76903 27-0075630	SUPPORT SVCS	TX	501(C)(3)	11B	NA
SHANNON HEALTH SYSTEM 120 E HARRIS AVE SAN ANGELO, TX 76903 75-2602411	SUPPORT SVCS	TX	501(C)(3)	11A	NA
SHANNON CLINIC 120 E HARRIS AVE SAN ANGELO, TX 76903 75-2600873	HEALTHCARE	TX	501(C)(3)	9	NA
SHANNON BUSINESS SERVICES INC 120 E HARRIS AVE SAN ANGELO, TX 76903 43-2038769	SUPPORT SVCS	TX	501(C)(3)	11B	NA
SHANNON MEDICAL MANAGEMENT 120 E HARRIS AVE SAN ANGELO, TX 76903 20-8367966	SUPPORT SVCS	TX	501(C)(3)	9	NA

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
REGIONAL CANCER TREATMENT CENTER 102 N MAGDALEN STE 120 SAN ANGELO, TX76903 75-2225955	RADIO THERAPY	TX	NA	RELATED	614,819	2,474,671		No	0	Yes	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
LEGACY HEALTH PLAN INC 2018 PULLIAM ST SAN ANGELO, TX76903 75-2838410	HEALTH PLAN	TX	NA	C	0	0	0 %
LEGACY MANAGEMENT SERVICES 2018 PULLIAM ST SAN ANGELO, TX76903 75-2544450	MANAGEMENT	TX	NA	C	0	0	0 %
LEGACY HEALTH SOLUTIONS 2018 PULLIAM ST SAN ANGELO, TX76903 20-0720762	MED INSURANCE	TX	NA	C	0	0	0 %

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a Yes

1b No

1c Yes

1d No

1e No

1f No

1g No

1h Yes

1i Yes

1j Yes

1k Yes

1l No

1m Yes

1n Yes

1o Yes

1p Yes

1q Yes

1r Yes

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

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

Schedule R (Form 990) 2009

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

[illegible]

Software ID:
Software Version:
EIN: 75-2559845
Name: SHANNON MEDICAL CENTER

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
TRUSTEES SHANNON WEST TEXAS HOSPITAL PO BOX 49 SAN ANGELO, TX76902 75-0800679	TRUST	TX	501(C) (3)	11B	NA
SHANNON RURAL HEALTH CLINICS INC 120 E HARRIS AVE SAN ANGELO, TX76903 75-2940211	HEALTHCARE	TX	501(C) (3)	11C	NA
SHANNON REAL ESTATE SERVICES INC 120 E HARRIS AVE SAN ANGELO, TX76903 27-0075630	SUPPORT SVCS	TX	501(C) (3)	11B	NA
SHANNON HEALTH SYSTEM 120 E HARRIS AVE SAN ANGELO, TX76903 75-2602411	SUPPORT SVCS	TX	501(C) (3)	11A	NA
SHANNON CLINIC 120 E HARRIS AVE SAN ANGELO, TX76903 75-2600873	HEALTHCARE	TX	501(C) (3)	9	NA
SHANNON BUSINESS SERVICES INC 120 E HARRIS AVE SAN ANGELO, TX76903 43-2038769	SUPPORT SVCS	TX	501(C) (3)	11B	NA
SHANNON MEDICAL MANAGEMENT 120 E HARRIS AVE SAN ANGELO, TX76903 20-8367966	SUPPORT SVCS	TX	501(C) (3)	9	NA

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1)	SHANNON CLINIC	O	2,813,860
(1)	SHANNON CLINIC	K	608,238
(2)	SHANNON REAL ESTATE SERVICES	J	238,651
(3)	SHANNON REGIONAL HEALTH CLINICS	K	26,255
(4)	SHANNON BUSINESS SERVICES	C	291,865
(5)	SHANNON REGIONAL HEALTH CLINICS	R	317,006
(6)	SHANNON CLINIC	R	5,289,003
(7)	SHANNON MEDICAL MANAGEMENT	Q	17,926,273
(8)	SHANNON CLINIC	I	63,585
(9)	SHANNON BUSINESS SERVICES	A,I	66,915
(10)	SHANNON BUSINESS SERVICES	P	10,683,925
(11)	SHANNON BUSINESS SERVICES	R	9,483,799
(12)	SHANNON CLINIC	P	1,115,128
(13)	SHANNON CLINIC	R	5,289,003
(14)	SHANNON MEDICAL MANAGEMENT	P	4,783,087
(15)	SHANNON REAL ESTATE SERVICES	R	132,745
(16)	SHANNON REAL ESTATE SERVICES	Q	4,908,750
(17)	SHANNON REAL ESTATE SERVICES	P	1,400,399
(18)	SHANNON REGIONAL HEALTH CLINICS	R	219,059
(19)	SHANNON REGIONAL HEALTH CLINICS	P	525,044

Additional Data

Software ID:

Software Version:

EIN: 75-2559845

Name: SHANNON MEDICAL CENTER

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
BRYAN HORNER CEO/PRESIDENT	32 0	X		X				457,484	0	69,698
LEN MERTZ CHAIRMAN	2 0	X		X				24,850	97,950	6,872
JAMES JOHNSON INDIVIDUAL TRUSTEE	2 0	X						22,769	26,103	288
JOE HENDERSON INDIVIDUAL TRUSTEE	2 0	X						23,917	27,315	396
ORAN BERRY III INDIVIDUAL TRUSTEE	2 0	X						22,296	23,700	8,412
ROBERT ECKERT SECRETARY/TREASURER	2 0	X		X				19,435	20,670	297
VIRGINIA NOELKE DIRECTOR	2 0	X						15,900	0	0
MIKE BOYD INDIVIDUAL TRUSTEE	2 0	X						1,764	0	0
MIKE OLIPHANT INDIVIDUAL TRUSTEE	2 0	X						21,100	23,700	6,180
STEVE CECIL INDIVIDUAL TRUSTEE	2 0	X						21,200	7,500	701
JOANNA RICE DIRECTOR	2 0	X						17,600	0	0
JIM BOB BRAME MD DIRECTOR	2 0	X						17,000	0	0
PAMELA TALLEY DIRECTOR	2 0	X						18,750	0	0
EMMETE FLYNN MD DIRECTOR	2 0	X						16,500	457,355	87,106
MICHELLE SNUGGS MD DIRECTOR	2 0	X						17,150	488,028	106,962
KELLY SHANE PLYMELL CFO	32 0			X				240,136	0	42,859
DR IRVIN ZEITLER MEDICAL DIRECTOR	36 0			X				322,372	3,500	55,044
WILMA STUART CNO	40 0			X				201,999	0	31,316
PATRICIA TIPTON NUSRE ANESTHETIST	40 0					X		267,339	0	34,686
MARVIN HILL NURSE ANESTHETIST	40 0					X		261,244	0	36,148
LANCE KEILERS ADMINISTRATOR	40 0					X		153,399	0	22,337
JAMES NAYLOR CHIEF ECHO SONOGRAPHER	40 0					X		151,465	0	23,657
TIMOTHY HARTIN CCO	40 0					X		207,260	0	49,461

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

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MEDICAL SUPPLIES	46,079,664	46,033,957	45,707	
BAD DEBT	21,383,845	21,383,845	0	
EQUIPMENT COSTS	3,071,915	2,397,372	674,543	
COLLECTION FEES	680,592	0	680,592	
LAB FEES	498,456	498,456	0	