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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning , 2010, and ending , 20

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

C Name of organization Texas Health Resources

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 612 E. Lamar Blvd, Suite 1400

Room/Suite 1400

City or town, state or country, and ZIP + 4 Arlington TX 76011

D Employer identification number 75-2702388

E Telephone number (682)236-7900

G Gross receipts $ 1,507,024,487

F Name and address of principal officer See attachment #1

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

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ www.texashealth.org

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

L Year of formation 1997

M State of legal domicile TX

Part I Summary

1 Briefly describe the organization's mission or most significant activities

Through its affiliates, THR operates an integrated primarily non-profit healthcare system with services and facilities throughout North Central Texas.

2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,897
6	Total number of volunteers (estimate if necessary)	6	
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	13,061,569
b	Net unrelated business taxable income from Form 990-T, line 34	7b	2,098,196

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	24,245	354,889
9	Program service revenue (Part VIII, line 2g)	328,160,821	351,798,771
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,373,655	71,939,040
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,382,805	4,504,648
12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	334,941,526	428,597,348
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,581,358	3,331,374
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	162,843,023	168,831,220
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	167,669,603	180,625,599
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	332,093,984	352,788,193
19	Revenue less expenses Subtract line 18 from line 12	2,847,542	75,809,155

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	2,159,203,619	2,376,439,329
21	Total liabilities (Part X, line 26)	2,257,785,247	2,250,128,545
22	Net assets or fund balances Subtract line 21 from line 20	-98,581,628	126,310,784

Part II Signature Block

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

Sign Here

▶ Signature of officer Date

▶ John Mitchell Asst Secretary
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	NONPAID PREPARER			

Firm's name ▶ Texas Health Resources — Firm's EIN ▶

Firm's address ▶ 612 E LAMAR BLVD STE 1400 — Phone no

Arlington TX 76011

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

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2010)

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Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III ☐

1 Briefly describe the organization's mission

Through its affiliates, THR operates an integrated primarily non-profit healthcare system with services and facilities throughout North Central Texas.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 352,788,193 including grants of $ 3,331,374) (Revenue $ 342,823,745)

See attachment #2

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** ▶ $ 352,788,193

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501 (h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III N/A	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		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a	X	
b	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	11b	X	
c	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	11c		X
d	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	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e	X	
f	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 (ASC 740)? If "Yes," complete Schedule D, Part X	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		X
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	X	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		X

Part IV **Checklist of Required Schedules** (continued)

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
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		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? If "Yes," complete Schedule M	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33	X	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 ☒ Yes ☐ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	448		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,897		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	N/A		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	N/A		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	N/A		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	N/A		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	N/A		
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	N/A		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a	N/A		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	N/A		
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	N/A		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a	N/A		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	N/A		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions

Check if Schedule O contains a response to any question in this Part VI . [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year .	1a	17		
b	Enter the number of voting members included in line 1a, above, who are independent .	1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

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

[ ] Own website [X] Another's website [X] Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ See attachment #3

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

Check if Schedule O contains a response to any question in this Part VII . . X

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

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

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

☐ Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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				
Bohn Allen, M.D. Trustee	3.00	X							0	0	0
Anne Bass Trustee	3.00	X							0	0	0
Jay Beavers, D. Min. Trustee	3.00	X							0	0	0
Tom Cravens Trustee	3.00	X							0	0	0
Denny Holman Trustee	3.00	X							0	0	0
Gary Hutchison, M.D. Trustee	3.00	X							0	0	0
Ms. Feliz Jarvis Trustee	3.00	X							0	0	0
Monsignor Philip Johnson Trustee	3.00	X							0	0	0
Terry Kelley Immediate Past Chairman	3.00	X							0	0	0
Kerney Laday Vice Chairman	3.00	X							466	0	0
Grace McDermott Trustee	3.00	X							0	0	0
Jimmy C. Payton, Sr. Trustee	3.00	X							0	0	0
Leonard Roberts Chairman	3.00	X							466	0	0
Ted S. Wen, M.D. Trustee	3.00	X							61,275	18,000	0
Wesley Turner Trustee	3.00	X							897	0	0

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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				
Sam Walls Trustee	3.00	X							0	0	0
Douglas Hawthorne CEO	40.00	X		X					1,869,774	0	718,299
Barclay Berdan Sr. Exec. Vice President	40.00			X					910,021	0	324,580
Stephen Hanson Sr. Exec. Vice President	40.00			X					982,254	0	348,074
Ronald Long Exec Vice President	40.00			X					810,056	0	449,403
Charles Boes Exec Vice President	40.00			X					571,901	0	216,175
Michael Deegan Exec Vice President	40.00			X					581,684	0	214,533
Bonnie Bell Exec Vice President	40.00			X					552,508	0	208,198
Kenneth Kramer Sr. Vice President	40.00			X					532,950	0	104,051
John Mitchell Vice President	40.00			X					278,387	0	35,800
Oscar Amparan Exec. Vice President	40.00			X					0	722,183	259,676
1b Sub-total								▶	7152639	740183	2878789
c Total from continuation sheets to Part VII, Section A								▶	10566038	709191	2700830
d Total (add lines 1b and 1c)								▶	17718677	1449374	5579619

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 ▶ 214

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
See attachment #4		

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 ▶ 129

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 AMTS	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	67,250			
	e Government grants (contributions)	1e	275,376			
	f All other contributions, gifts, grants, & similar amounts not included above	1f	12,263			
	g Noncash contributions included in lines 1a-1f	$				
	h **Total.** Add lines 1a-1f ▶		354,889			
PROGRAM SERVICE REVENUE		**Business Code**				
	2a Management Fee	541610	295,565,456	285,790,175	9,775,281	
	b Rental Fee		52,621,148	52,621,148		
	c JV Activity	812900	3,612,167	2,425,410	1,186,757	
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶		351,798,771			
OTHER REVENUE	3 Investment income (including dividends, interest, and other similar amounts) ▶		31,631,422			31,631,422
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶		1,208,251			1,208,251
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	1,118,734,757				
	b Less cost or other basis and sales expenses	1,078,368,213	58,926			
	c Gain or (loss)	40,366,544	-58,926			
	d Net gain or (loss) ▶		40,307,618			40,307,618
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	**Business Code**				
	11a Telecommunications	541900	2,099,531		2,099,531	
	b Directors Fees		827,990	827,990		
	c Video Communications		368,876	368,876		
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		3,296,397			
	12 **Total revenue.** See instructions ▶		428,597,348	342,033,599	13,061,569	73,147,291

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	3,331,374	3,331,374		
2	Grants and other assistance to individuals in the U.S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	9,784,624	9,784,624		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	131,051,986	131,051,986		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,306,658	5,306,658		
9	Other employee benefits	14,448,685	14,448,685		
10	Payroll taxes	8,239,267	8,239,267		
11	Fees for services (non-employees)				
a	Management	2,376,189	2,376,189		
b	Legal	1,315,087	1,315,087		
c	Accounting	1,747,759	1,747,759		
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	5,561,333	5,561,333		
g	Other	32,298,601	32,298,601		
12	Advertising and promotion	12,440,688	12,440,688		
13	Office expenses	13,949,979	13,949,979		
14	Information technology	29,788,849	29,788,849		
15	Royalties				
16	Occupancy	23,231,885	23,231,885		
17	Travel	1,454,203	1,454,203		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,707,747	1,707,747		
20	Interest	2,628,177	2,628,177		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	40,093,376	40,093,376		
23	Insurance	384,877	384,877		
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Repairs & Maintenance	3,823,423	3,823,423		
b	License/Dues	3,144,110	3,144,110		
c	Supplies	1,675,516	1,675,516		
d	Community Outreach	1,405,915	1,405,915		
e	Other Taxes	534,895	534,895		
f	All other expenses #5	1,062,990	1,062,990		
25	**Total functional expenses.** Add lines 1 through 24f	352,788,193	352,788,193		
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
ASSETS	1	Cash – non-interest bearing	153,033,264	1	209,521,782
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	13,861,172	4	19,824,240
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	2,383,711	5	7,999,638
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501 (c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net	17,045,815	7	22,905,148
	8	Inventories for sale or use	44,545	8	58,285
	9	Prepaid expenses and deferred charges	18,545,383	9	30,126,093
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a 592,583,360			
	b	Less accumulated depreciation — 10b 259,437,653	444,113,339	10c	333,145,707
	11	Investments – publicly traded securities	1,216,951,379	11	1,407,212,089
	12	Investments – other securities See Part IV, line 11	194,859,004	12	256,362,546
	13	Investments – program-related See Part IV, line 11		13	
	14	Intangible assets	20,969,413	14	20,017,948
	15	Other assets. See Part IV, line 11	77,396,594	15	69,265,853
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	2,159,203,619	16	2,376,439,329
LIABILITIES	17	Accounts payable and accrued expenses	119,287,235	17	121,978,408
	18	Grants payable		18	
	19	Deferred revenue	2,162,213	19	1,141,199
	20	Tax-exempt bond liabilities	1,084,745,242	20	1,065,757,479
	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	1,051,590,557	25	1,061,251,459
	26	**Total liabilities.** Add lines 17 through 25	2,257,785,247	26	2,250,128,545
NET ASSETS OR FUND BALANCES		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	-204,883,810	27	2,485,692
	28	Temporarily restricted net assets	62,678,169	28	72,246,980
	29	Permanently restricted net assets	43,624,013	29	51,578,112
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	-98,581,628	33	126,310,784
	34	Total liabilities and net assets/fund balances	2,159,203,619	34	2,376,439,329

Part XI **Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI . . . . [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	428,597,348
2	Total expenses (must equal Part IX, column (A), line 25)	2	352,788,193
3	Revenue less expenses. Subtract line 2 from line 1	3	75,809,155
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-98,581,628
5	Other changes in net assets or fund balances (explain in Schedule O)	5	149,083,257
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	126,310,784

Part XII **Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII . . [ ]

			Yes	No
1	Accounting method used to prepare the Form 990 [ ] Cash [X] Accrual [ ] Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both [ ] Separate basis [X] Consolidated basis [ ] Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits N/A	3b		

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
See attachment #6									
Total									267,864,659

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

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

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

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

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of organization	Employer identification number
Texas Health Resources	75-2702388

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

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV.	
2	Political expenditures	▶ $ 0
3	Volunteer hours	0

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ $ 0	
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ $ 0	
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	N/A	☐ Yes ☐ No
4a	Was a correction made?	N/A	☐ Yes ☐ No
b	If "Yes," describe in Part IV		

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ $	
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ $	
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ $	
4	Did the filing organization file **Form 1120-POL** for this year?		☐ Yes ☐ No

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

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?	X		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?	X		323
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?	X		167,261
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	X		998,434
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV		X	
j	Total Add lines 1c through 1i			1,166,018
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

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

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

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

Part IV **Supplemental Information**

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

Texas Health Resources (THR) is the parent organization for a healthcare system consisting of hospitals and other related healthcare organizations The amount of expenses paid or incurred in connection with lobbying activities reported on this return represent the expenses incurred on behalf of THR and all its affiliates. Total expenses for the system were $3,090,708,000 for the year ended December 31, 2010. Of this amount $1,166,019 (.0377%) is used in connection with lobbying activities.

The officers and/or Board members of THR make comments or statements concerning legislation that may affect either the healthcare industry or the health status of the communities THR serves. In no case has either THR or any person acting on behalf of THR intervened in any political campaign.

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

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

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

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

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

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

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

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

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

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958), 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 (ASC 958) relating to these items

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

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

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

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

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

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

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

Part IV Escrow and Custodial Arrangements. Complete if 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	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

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

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

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

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

Part VI 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		59,929,030		59,929,030
b Buildings		239,803,702	121,871,541	117,932,161
c Leasehold improvements		70,725,597	51,476,165	19,249,432
d Equipment		144,301,501	86,089,947	58,211,554
e Other		77,823,530		77,823,530
Total. Add lines 1a through 1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ▶				333,145,707

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation. Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests	256,362,546	Cost
(3) Other		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶	256,362,546	

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

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

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

(a) Description	(b) Book value
Other Assets	3,656,485
Malpractice Trust	57,085,820
Trustee Funds - Sup Ret	1,019,545
Trustee Funds - CAA	2,446,807
Unamortized Bond Issue Costs	5,003,694
Deposits	9,696
Debt Related Reserve Funds	43,806
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15) ▶	69,265,853

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

1. (a) Description of liability	(b) Amount
Federal income taxes	
Security Deposit	67,709
Trustee Funds - Sup Ret	1,019,545
Trustee Funds - CAA	2,446,807
Post Retirement Benefits	8,064,551
Unamortized Rent	3,193,284
Other Liabilities	2,653,748
Asset Retirement Obligation	1,821,639
Malpractice Trust Reserve	44,002,417
Intercompany Payable	997,981,759
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	1,061,251,459

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	

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

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

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

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

Part XIV Supplemental Information

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

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

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b	If "Yes," was it a written policy?	1b	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☒ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ %	3a	X	
b	Did the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		X
c	If the organization did 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 used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a	Did the organization prepare a community benefit report during the tax year?	6a		X
b	If "Yes," did the organization make it available to the public?	6b		X

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost

	Financial Assistance 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	Financial Assistance at cost (from Worksheets 1 and 2)			5,426,590		5,426,590	3.91
b	Unreimbursed Medicaid (from Worksheet 3, column a)			6,587,941	4,855,755	1,732,186	1.25
c	Unreimbursed costs–other means-tested government programs (from Worksheet 3, column b)						
d	**Total** Financial Assistance and Means-Tested Government Programs			12,014,531	4,855,755	7,158,776	5.16
	Other Benefits						
e	Community health improvement services and community benefit operations (from Worksheet 4)			624,200		624,200	0.45
f	Health professions education (from Worksheet 5)						
g	Subsidized health services (from Worksheet 6)						
h	Research (from Worksheet 7)						
i	Cash and in-kind contributions to community groups (from Worksheet 8)			147,858		147,858	0.11
j	**Total.** Other Benefits			772,058		772,058	0.56
k	**Total.** Add lines 7d and 7j			12,786,589	4,855,755	7,930,834	5.72

Part II Community Building Activities

Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves

		(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			324		324	
9	Other						
10	Total			324		324	

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1		X
2	Enter the amount of the organization's bad debt expense (at cost)	2 26,021,270		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance 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 a portion of bad debt amounts as community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 23,824,111	
6	Enter Medicare allowable costs of care relating to payments on line 5	6 26,536,533	
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7 -2,712,422	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☒ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

			Yes	No
9a	Did the organization have a written debt collection policy during the tax year?	9a		X
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b N/A		

Part IV Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physician's profit % or stock ownership %
Flower Mound Hosp.	Hospital	53	0	47
Rockwall Regional	Hospital	53	0	42
Southlake Hospital	Hospital	6	0	46
USMD Hosp Arlington	Hospital	51	0	49
USMD Hosp Ft Worth	Hospital	51	0	49
Physician Med. Ctr	Hospital	6	0	46

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 7

Name and address	LICENSED HOSPITAL	GENERAL MEDICAL & SURGICAL	CHILDRENS HOSPITAL	TEACHING HOSPITAL	CRITICAL ACCESS HOSPITAL	RESEARCH FACILITY	ER 24 HOURS	ER OTHER	Other (describe)
1) Rockwall Regional Hospital 3150 Horizon Rd Rockwall, TX, 75032	X	X					X		
2) Physicians Medical Center LLC 6020 Parker Rd Plano, TX, 75093	X	X					X		
3) Southlake Specialty Hospital LLC 1545 E Southlake Blvd Southlake, TX, 76092	X	X					X		
4) Flower Mound Hospital Partners 4400 Long Prarie Rd Flower Mound, TX, 75028	X	X					X		
5) USMD Hospital at Arlington 801 W Interstate 20 Arlington, TX, 76017	X	X					X		
6) Sherman Grayson Health System 500 N Highland Sherman, TX, 75092	X	X				X			
7) USMD Hospital at Fort Worth 5900 Dirks Rd Fort Worth, TX, 76132	X	X					X		

Part V Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 1

Name and address	Type of Facility (describe)
1) Health Imaging Partners 8610 Explorer Dr Ste 300 Colorado Springs, CO 80920	Imaging Center

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, line 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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 financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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)

6 **Affiliated health care system.** 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

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Item Number 1
Part 1, line 3c
Part I, Line 3c - Eligibility
The Schedule H for Texas Health Resources (Texas Health) is filed solely because it has an ownership interest in 7 taxable joint ventures operating as hospitals.

Texas Health is a functionally integrated supporting organization and does not operate its own hospital. Texas Health supports a system of faith-based, non-profit hospitals, an employed physician organization and an organization for medical research and education. Texas Health has adopted a charity care policy which covers all 13 non-profit hospitals it supports.

Texas Health patients with family income at or below 200% of applicable federal poverty guidelines may be eligible for free care if the patient lacks sufficient funds and assets to pay the out-of-pocket portion of their hospital bill. All patients are asked to pay the lesser of the out-of-pocket portion of their hospital bill or a co-pay which ranges from $50 to $200. Patients who are unable to pay the remaining balance of a hospital bill are encouraged to apply for charity care by completing a charity application.

All Texas Health self pay patients who do not qualify for the organization's charity program, regardless of income, are eligible for a discount of 35% off the hospital's charge for general hospital services. In addition, a 60% discount is available on charges associated with certain implantable devices.

Texas Health patients with family income above 200% of applicable federal poverty guidelines and who have unpaid medical bills exceeding a specified percentage of the patient's annual gross income may be deemed medically indigent and eligible for charity care. The patient may be eligible for a charity adjustment up to 100% of the unpaid balance of their hospital bill in excess of a specified "patient responsible amount" if the patient has insufficient funds and assets to pay his hospital bill without incurring an undue

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, line 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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 financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.)

6 **Affiliated health care system.** 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

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

financial hardship. The "patient responsible amount" is based on a percentage of the patient's annual income.

A determination as to whether or not a patient has insufficient funds and/or assets to pay for purposes of determining both financial and medical indigence is made at the time a patient's charity care application is reviewed. Assets considered when determining eligibility include cash, stocks, bonds and other financial assets that can be readily converted to cash.

Item Number 2
Part 1, line7
Part I, Line 7 Costing Methodology
A cost to charge ratio, as calculated using Worksheet 2 (Ratio of Patient Care Cost-to-Charges) is used in computing the amounts reported in Lines 7a - 7c. The amounts reported on Lines 7e - 7i were obtained using direct costs, as determined by a cash outlay or, in the case of reporting employee volunteer hours, by using an average national volunteer wage rate.

Part I, Line 7, Column (f)
The Total Expenses reported on Form 990, Part IX, line 25, column (A) were reduced by Bad Debt Expense of $21,939,784 in the calculation of Percent of Total Expenses reported on Sch H, Part I, line 7, column (e).

Item Number 3
Part III, line 4
Part III, Line 4 - Bad Debts
The bad debt expense shown on Part III, line 2 is Texas Health's share of the bad debt expense of its taxable hospital joint ventures. The amount of the bad debt expense attributable to patients eligible under the charity care policy is unknown.

Bad debt expense is not included as a community benefit for

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, line 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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 financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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.)

6 **Affiliated health care system.** 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

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

purposes of reporting community benefits to the state of Texas.

The taxable joint ventures do not issue audited financial statements with a footnote describing bad debt expense.

Item Number 4
Part III, line 8
Part III, Line 8-Unreimbursed Medicare
The state of Texas treats any Medicare shortfall reported by a non-profit hospital as a community benefit for meeting the state statutory requirements for charity care & community benefit. For state purposes, the shortfall is computed by comparing actual Medicare reimbursements with the estimated cost the hospital incurs in providing these services to Medicare patients. Cost is determined by applying a cost-to-charge ratio (with costs determined in accordance with generally accepted accounting principles) to billed charges.

Texas Health does not operate its own hospital, therefore did not have any Medicare data to report to the state of Texas. Additionally, the taxable joint ventures have no requirement to report charity care & community benefit to the state of Texas.

Item Number 5
Part VI, line 4

Part VI, Line 4-Community Information
Texas Health does not operate a hospital. Therefore, there is no information to provide regarding a hospital service area.

Item Number 6
Part VI, line 5
Part VI, Line 5-Promotion of Community Health
Texas Health does not operate a hospital. The Schedule H reflects

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, line 3c, 6a, and 7, Part II; Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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 financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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)

6 **Affiliated health care system.** 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

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Texas Health's ownership interest in its taxable joint ventures which operate hospitals.

Item Number 7
Part VI, line 6
Part VI, Line 6-Healthcare System
The organization is part of the Texas Health Resources (Texas Health) healthcare system. Texas Health is one of the largest faith-based, nonprofit health care delivery systems in the United States and the largest in North Texas in terms of patients served. Texas Health's system of 13 hospitals includes Texas Health Harris Methodist Hospitals, Texas Health Arlington Memorial Hospital, Texas Health Presbyterian Hospitals, and an organization for medical research and education. The Texas Health system also includes two foundations that foster philanthropic relationships to help support the programs and services of the hospitals they support.

The mission of the hospitals in the Texas Health system is to "improve the health of the people in the communities we serve." Texas Health takes its responsibility to its communities seriously and invests charitable resources to promote good health and prevent disease. Not only does Texas Health provide health care to those who do not have the means to pay, its hospitals also conduct a variety of programs designed to improve health and prevent illness in the community. The community health strategies of Texas Health and its affiliated healthcare organizations are driven by community health needs, are community-based and include confronting health problems at the source and emphasize health promotion, disease prevention, and early treatment of illness.

Item Number 8
Part VI, line 7
Part VI, Line 7-State Filing
The data provided for Schedule H is Texas Health's share of operations from its taxable joint ventures which operate

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, line 3c, 6a, and 7; Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

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 financial assistance policy

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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)

6 **Affiliated health care system.** 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

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

hospitals in Texas. The taxable joint ventures are not required to file community benefit reports with the state of Texas.

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

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

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 Part II can be duplicated if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
American Cancer Society 8901 Carpenter Freeway Dallas, TX 75247		501(c)(3)	40,000				General Donation
American College of Healthcare Executives 251 Decker Drive Irving, TX 75062		501(c)(6)	10,000				General Donation
American Heart Association 2631 West Frwy #2500 Fort Worth, TX 75102		501(c)(3)	125,000				General Donation
American Red Cross 1516 South Sylvania Ave Fort Worth, TX 76111		501(c)(3)	11,500				General Donation
Arlington Chamber of Commerce 506 East Border Street Arlington, TX 76010	75-0745859	501(c)(6)	6,250				General Donation
Dallas Momentum Inc 1202 Elm St. #2000 Dallas, TX 75270	75-2294068	501(c)(6)	10,000				General Donation
Dallas Regional Chamber 701 N. Pearl St. #1200 Dallas, TX 75201	75-0223440	501(c)(6)	29,570				General
Dallas-Fort Worth Hospital							General

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 36

3 Enter total number of other organizations . . . . . ▶ 25

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

Part III can be duplicated if additional space is needed

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

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

Texas Health Resources (THR) receives various requests from the community for assistance. THR management reviews these requests to verify that they are benefiting the community and they are in agreement with THR's mission. The grants or assistance given by THR are generally to local organizations who have a longstanding record of benefiting the local community.

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Since the vast majority of the assistance given by THR is to local organizations, management is able to monitor the use of the funds using personal inspection. Many of the events are published in the local paper. Many are community wide events where THR employees attend, or work as volunteers or coordinators.

990 - Sch I - Part I, Continuation of Grants and Other Assistance to Governments and Organizations in the United States

For Calendar year 2010, or tax year period beginning and ending

Name of the organization: Texas Health Resources

Employer identification number: 75-2702388

(a) Name and address of organization or government	(b) EIN	c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Council 1433 Greenway Dr. #300 Irving, TX 75038	75-1254380	501(c)(6)	13,000				Donation
Fort Worth Promo & Development Fund 1001 Throckmorton St. Fort Worth, TX 76102	75-2567786	501(c)(3)	25,000				General Donation
Fort Worth Stock Show Syndicate P.O. Box 150 Fort Worth, TX 76102	75-1790417	501(c)(3)	12,600				General Donation
Kwanzaafest Inc P.O. Box 224725 Dallas, TX 75222	75-2851704	501(c)(3)	10,000				General Donation
March of Dimes National Foundation 6816 Manhattan Blvd Fort Worth, TX 76102		501(c)(3)	15,000				General Donation
March of Dimes Foundation 12661 Coit Road #200 Dallas, TX 75251		501(c)(3)	75,000				General Donation
N.TX Super Bowl XLV Host Committee 2912 Turtle Creek Blvd. #1000 Dallas, TX 75219	87-0784763	501(c)(6)	125,000				General Donation
N. Texas Commission P.O. Box 610246 DFW Airport, TX 75261	75-1364760	501(c)(6)	15,000				General Donation
Parkland Foundation 5202 Harry Hines Blvd Dallas, TX 75235	75-2089180	501(c)(3)	42,500				General Donation

990 - Sch I - Part I, Continuation of Grants and Other Assistance to Governments and Organizations in the United States

For Calendar year 2010, or tax year period beginning and ending

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Senior Citizens of Greater Dallas 1216 Skiles Dallas, TX 75204			6,000				General Donation
Susan G. Koman Tarrant Co. 2217 Green Oaks Rd. Fort Worth, TX 76116			10,000				General Donation
Texas Health Harris Methodist Foundation 6102 Western Place #1001 Fort Worth, TX 76107		501(c)(3)	685,496				General Donation
Texas Health Presbyterian Foundation 8441 Walnut Hill Ln Dallas, TX 75231		501(c)(3)	1,960,100				General Donation
Texas Medical Association 402 W. 15th St. Austin, TX 78701			10,000				General Donation

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

Part I **Questions Regarding Compensation**

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☒ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☒ Travel for companions	☐ Payments for business use of personal residence		
	☒ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☒ Discretionary spending account	☒ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
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	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9		X

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** Use duplicate copies if additional space is needed

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Douglas Hawthorne	(i)	978,585	599,553	291,636	702,200	16,099	2,588,073	0
	(ii)							
Barclay Berdan	(i)	528,316	259,179	122,526	303,791	20,789	1,234,601	0
	(ii)							
Stephen Hanson	(i)	561,291	323,769	97,194	328,611	19,463	1,330,328	54,653
	(ii)							
Ronald Long	(i)	497,266	223,670	89,120	425,495	23,908	1,259,459	0
	(ii)							
Charles Boes	(i)	340,420	158,021	73,460	200,441	15,734	788,076	0
	(ii)							
Michael Deegan	(i)	343,140	169,902	68,642	198,512	16,021	796,217	9,545
	(ii)							
Bonnie Bell	(i)	331,081	152,769	68,659	191,456	16,742	760,707	0
	(ii)							
Kenneth Kramer	(i)	228,135	261,969	42,845	77,629	26,422	637,000	172,525
	(ii)							
John Mitchell	(i)	184,707	57,346	36,334	15,531	20,270	314,188	0
	(ii)							
Oscar Amparan	(i)							
	(ii)	437,466	201,635	83,083	244,243	15,433	981,860	0
Britt Berrett	(i)							
	(ii)	432,022	200,000	77,169	247,505	20,848	977,544	0
Jonathan Scholl	(i)	386,451	300,000	67,533	168,438	12,736	935,158	0
	(ii)							
David Hadley	(i)		4,381	130,438			134,819	134,819
	(ii)							
Edward Marx	(i)	369,207	137,379	77,469	130,939	22,600	737,594	25,428
	(ii)							
Stan Dennis	(i)	352,484	142,007	50,444	138,637	24,686	708,258	0
	(ii)							
Kevin Holmes	(i)	221,726	254,570	38,081	154,757	25,301	694,435	167,972
	(ii)							

990 - Sch J, Part I, Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

For Calendar year 2010, or tax year period beginning and ending

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

(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				
Ferdinand Velasco M.D.	(i)	330,753	110,450	48,263	84,149	19,161	592,776	0
	(ii)							
John Gaida	(i)	286,258	114,103	55,678	116,808	19,783	592,630	0
	(ii)							
Jack Roper	(i)	269,948	106,847	65,466	113,225	13,948	569,434	0
	(ii)							
David Tesmer	(i)	235,767	95,356	86,470	83,475	10,207	511,275	50,875
	(ii)							
Elaine Gwaltney	(i)	257,464	99,101	49,524	96,273	10,913	513,275	0
	(ii)							
Joan Clark	(i)	262,934	99,123	42,088	94,644	22,837	521,626	0
	(ii)							
Michelle Kirby	(i)	251,763	97,410	37,976	105,167	7,181	499,497	3,912
	(ii)							
Jim Dunn	(i)	238,921	73,185	39,545	13,234	6,955	371,840	0
	(ii)							
Elaine Anderson	(i)	228,700	83,710	37,375	96,200	1,716	447,701	0
	(ii)							
George Pearson	(i)	220,649	81,964	46,521	94,905	12,546	456,585	0
	(ii)							
Ricky McWhorter	(i)	207,690	60,195	43,782	54,813	10,036	376,516	0
	(ii)							
Amy Schornick	(i)	199,526	62,207	28,628	12,414	24,503	327,278	0
	(ii)							
John Mizerany	(i)	189,803	72,585	21,319	9,504	13,645	306,856	0
	(ii)							
Janelle Browne	(i)	190,439	58,125	26,812	9,304	6,503	291,183	0
	(ii)							
Patricia Johnston	(i)	186,656	54,719	31,610	31,694	16,698	321,377	0
	(ii)							
James Logsdon	(i)	186,867	54,321	29,610	15,325	12,049	298,172	0
	(ii)							

990 - Sch J, Part I, Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

For Calendar year 2010, or tax year period beginning and ending

Name of the organization: Texas Health Resources

Employer identification number: 75-2702388

(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				
David Jackson	(i)	175,205	53,595	32,900	14,640	11,743	288,083	0
	(ii)							
Krystal Mims	(i)	324,710	228,494	2,183	232,973	21,181	809,541	70,000
	(ii)							
Scott Leddy M.D.	(i)	418,316	0	825	11,025	14,342	444,508	0
	(ii)							
Stanley Ryfa	(i)	258,754	156,413	2,233	98,991	10,822	527,213	70,000
	(ii)							
Luis Saldana M.D.	(i)	359,391	0	1,275	11,025	20,726	392,417	0
	(ii)							
Sandra Reeves	(i)	170,624	55,536	35,206	40,537	26,293	328,196	0
	(ii)							
	(i)							
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	(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

Sch J, Part I, Line 1
First Class Travel
The CEO uses first class travel infrequently and to specific destinations where flights are overbooked by the airlines and passengers with coach tickets are not guaranteed to be on the specific flight booked.

.
Travel for Companions
The organization and/or related organizations allow spouses or guests to accompany an officer of the organization on business related travel, as long as the spouse's or guest's presense on the trip is for a justified business purpose.

.
Gross-up payments
Certain imputed income is grossed-up to include the employment taxes paid on the listed person's behalf. The grossed up amount is included in the taxable compensation of the employee.

.
Discretionary Spending Account
Each executive at the vice president level and above receive a perk allowance which is included in the taxable compensation of the employee.

.
Personal Services - Financial Planning
The CEO can have financial planning services reimbursed by the organization up to a specified dollar amount. Any reimbursement made for financial planning services is included in the taxable compensation of the CEO. Other officers can use their discretionary spending account to pay for financial planning services.

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Sch J, Part I, Question 3
Texas Health Resources (THR) uses the following methods to establish compensation of the organization's CEO.
- THR has a compensation committee comprised of external Board members that review compensation philosophy and design.
- THR hired independent compensation consultants
- THR & the independent compensation consultants utilize published third-party compensation surveys or studies.
- Written employment contract
- Approval by the board and compensation committee

.

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

An independent third party compensation consultant is hired by the THR Board of Trustees (Board) to review base pay annually as compared to a peer group of employers similar in size and scope to THR. Every three years the independent compensation consultant reviews all aspects of executive compensation (base, incentives, benefits, etc.) which includes:
- Review and confirmation of the executive compensation philosophy,
- Market review of base and incentive pay,including national, regional and local data.
- Market review of benefits and perquisites,
- Interview of selected officers and members of the Compensation Committee of the Board (Compensation Committee), and
- Review of financial reports, employment agreement, current salary incentive opportunities, incentive payments, benefits, perquisites, and plan documents.

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The independent compensation consultant meets directly with the executive compensation & benefits sub-committee which is made up of five independent Board members and the compensation committee to report the results of the total compensation study.

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At the beginning of each year, the compensation committee reviews the results of the outside consultants market analysis for base salaries, and makes recommendations to the Board and the Board approves the following for the CEO:
- Base salary and benefits;
- Prior year executive annual incentive awards;
- Current year executive annual incentive plan targets, key performance indicators and potential payout amounts;
- Long-term incentive award if cycle has ended;
- Long-term incentive plan targets, key performance indicators and potential payout amount if new cycle is starting; and
- Employment agreement in years of renewal.

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Sch J, Part I, Question 4b
Participation in the plan is made available to a select group of management and highly compensated employees, as determined by the THR Board of Trustees, who are providing services to an employer in key positions of management and responsibility.
- Benefits are calculated for eligible employees when base pay and incentives exceed the IRS qualified plan compensation limit.
- SERP benefits vest while the participant is employed if the participant: reaches age 68, becomes disabled, dies, or reaches the following years of service: 2 years - 25%; 3 years - 50%; 4 years - 75%; and 5 or more - 100%.

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

- For Frozen Restoration Accounts (account balances prior to 1/1/2010), the participant or beneficiary shall be taxed on his or her vested SERP benefit upon the earliest of:
*Remaining employed by THR to age 68;
*Termination of employment for disability or death;
*Involuntary termination of employment without reasonable cause; or
*Satisfying a 24 month non-compete period following his or her termination of employment.
Payment is made following the before mentioned events, except in the case of involuntary separations for which the participant must wait until after 24 months to receive the previously taxed benefit.
- For the Active Restoration Accounts (account balances after 12/31/2009) participants must be employed on Dec 1 to qualify for the current year's SERP amount unless separation is due to death, disability, retirement (age 65) or early retirement (age 60 or above with 15 or more years of service). SERP amounts are calculated each Dec 1; vested balances are taxed; and the net balances can begin accruing earnings. Vested balances are paid in cash lump sums within the 90-day period commencing upon the earlier of death, disability, or separation from service.
- THR owns any investments purchased in connection with its obligations under the SERP Plan. If THR becomes insolvent, executives are unsecured creditors and will have no preferred claim to any assets.
- Contributions to the following employees were made during the year. The amounts below are included in the amount reported in Sch J, Part II, Column B(iii) and Column (F).
Michael Deegan - $9,545
David Hadley - $4,381
Stephen Hanson - $54,653
Michelle Kirby - $3,912
David Tesmer - $6,091

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part V.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization: Texas Health Resources

Employer identification number: 75-2702388

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	Tar Co Cultural Edu Fac Finance Corp	04-3833551	87638TAS2	05-31-2007	620,367,416	Refund 10/30/97 issue bonds		X		X		X
B	Tar Co Cultural Edu Fac Finance Corp	04-3833551	87638TBE2	05-31-2007	102,323,221	Construct & Equ Facility		X		X		X
C	Tar Co Cultural Edu Fac Finance Corp	04-3833551	87638TCL5	10-30-2008	366,120,000	Refund 1/31/89 Refund 5/14/03		X		X		X
D	Tar Co Cultural Edu Fac Finance Corp	04-3833551	87638TEE9	11-23-2010	151,950,525	Redeem 10/30/08 Series D,F&G		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired			190,065,000	
2	Amount of bonds legally defeased				
3	Total proceeds of issue	620,432,581	109,908,750	366,264,054	151,950,525
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	617,372,104		327,900,000	150,425,000
7	Issuance costs from proceeds	3,060,477	529,732	1,868,320	1,525,525
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		109,379,018	36,495,734	
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2007	2009	2009	2010

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

Part III Private Business Use

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

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part V.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
							Yes	No	Yes	No	Yes	No
A	Tar Co Cultural Edu Fac Finance Corp	04-3833551	000000000	11-30-2010	135,000,000	Constuct & Equi Health Facility		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	135,000,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	444,565			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	20,365,180			
11	Other spent proceeds				
12	Other unspent proceeds	114,190,255			
13	Year of substantial completion	0			

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

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
3a Are there any management or service contracts that may result in private business use of bond-financed property?	Yes: X	No:	Yes: X	No:	Yes: X	No:	Yes: X	No:
b Are there any research agreements that may result in private business use of bond-financed property?	Yes: X	No:	Yes:	No: X	Yes:	No: X	Yes:	No: X
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	Yes: X	No:	Yes: X	No:	Yes: X	No:	Yes: X	No:
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	002.3 %		000.5 %		000.6 %		001.0 %	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	2.3 %		0.5 %		0.6 %		1 %	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	Yes: X	No:	Yes: X	No:	Yes: X	No:	Yes: X	No:

Part IV Arbitrage

	A		B		C		D	
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
2 Is the bond issue a variable rate issue?	Yes:	No: X	Yes:	No: X	Yes: X	No:	Yes:	No: X
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
b Name of provider								
c Term of hedge	0		0		0		0	
d Was the hedge superintegrated?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
e Was the hedge terminated?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
4a Were gross proceeds invested in a GIC?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
5 Were any gross proceeds invested beyond an available temporary period?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X
6 Did the bond issue qualify for an exception to rebate?	Yes:	No: X	Yes:	No: X	Yes:	No: X	Yes:	No: X

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b Are there any research agreements that may result in private business use of bond-financed property?		X						
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	000.3 %		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	0.3 %		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2 Is the bond issue a variable rate issue?	X							
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b Name of provider								
c Term of hedge	0							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						
4a Were gross proceeds invested in a GIC?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?		X						

Part V **Supplemental Information.** Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

990 SCHEDULE K - SUPPLEMENTAL INFORMATION

For calendar year 2010 or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Part V - Supplemental Information

Part II , Line 3:
Investment earnings and proceeds from disposition of previously bond funded assets are included.

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, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open To Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

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, lines 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II **Loans to and/or From Interested Persons.**

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Amparan, Oscar Surrender Value of Split Dollar Life Ins. Policy		X	365,779	310,100		X	X		X	
Anderson, Elaine Surrender Value of Split Dollar Life Ins. Policy		X	129,641	114,830		X	X		X	
See Attachment										
Total			▶ $ 7,999,638							

Part III **Grants or Assistance Benefiting Interested Persons.**

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

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

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No. 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.	2010 Open to Public Inspection

Name of the organization	Employer identification number
Texas Health Resources	75-2702388

Part VI, Section B, Line 11b:
A full copy of the Form 990 is provided to members of the governing board before filing. In addition, the Audit & Compliance Committee of the Texas Health Resources (THR) Board of Trustees is given the opportunity to review, comment, and ask questions regarding the Form 990s filed for THR and each of its wholly controlled affiliates.

Part VI, Section B, Line 12c:
Texas Health Resources (THR) has adopted a Conflict of Interest policy that applies to THR and all of its wholly owned or wholly controlled affiliates. During the first quarter of each fiscal year, a Duality and Conflict Statement Form is distributed by the THR Chief Compliance Officer to all persons who are covered by this policy. All disclosed conflicts are reviewed by the THR Chief Compliance Officer, THR General Counsel and the THR Audit & Compliance Committee. A report listing each reported Duality of Interest or Conflict of Interest is given to both the Chair of the Governing Body and the President of the Corporation with which the reporting person is affiliated. The THR Board of Trustees receives a report when the Annual Disclosure process is complete.

Part VI, Section B, Line 15 a& b
An independent third party compensation consultant is hired by the Texas Health Resources (THR) Board of Trustees (Board) to review base pay annually as compared to a peer group of employers similar in size and scope to THR. Every three years the independent compensation consultant reviews all aspects of executive compensation (base, incentives, benefits, etc.) which includes:

- Review and confirmation of the executive compensation philosophy,

- Market review of base and incentive pay for all positions. National, regional, and local data is reviewed when available.

- Market review of benefits and perquisites,

- Survey of officers and members of the Governace Committee of the THR Board of Trustees, and

- Review of financial reports, job descriptions, organizational charts, current salaries, salary range midpoints, incentive opportunities, incentive payments, benefits, perquisites and plan documents.

The independent compensation consultant meets directly with the executive compensation & benefits sub-committee which is made up of five independent Board members and the governance committee to report the results of the total compensation study.

At the beginning of each year, the executive compensation & benefits

Continued on Schedule O, Page

Name of the organization	Employer identification number
Texas Health Resources	75-2702388

sub-committee reviews; the governance committee reviews and recommends for approval by the Board; and the Board approves the following:

- Market analysis recommendation based on the results of the outside consultant's review

- Officer Market/equity base salary adjustments

- Prior year executive annual incentive awards

- Current year executive annual incentive plan targets, key performance indicators, and potential payout amounts

Part VI, Section C, Line 19:
The organization does not make its governing documents or conflict of interest policy available to the public.

The consolidated financial statements of Texas Health Resources (THR) are made available to the public on the website www.dacbond.com. Consolidated financial statements are posted to this website quarterly and the audited financial statements are posted annually. The financial statements of the wholly controlled affiliates of THR are not posted to the website nor are they generally made available to the public in any other manner.

Part VII, Section A, Officers Related Entity Hours:
The following persons devoted the indicated estimated average hours per week to related organizations:

Bohn Allen, M.D. 2 hrs.
Britt Berrett 40 hrs.
Jay Beavers 3 hrs.
Oscar Amparan 40 hrs.
Sam Walls 2 hrs.
Stephen Hanson 1 hr.
Philip Johnson 2 hrs.

Part XI, Line 5, Other Changes:
Texas Health Presbyterian Foundation Change in Net Assets $21,563,628
Texas Health Harris Methodist Foundation Change In Net Assets $4,722,128
Unrealized Gains $122,797,501
Total Changes $149,083,257

Part XII, Line 2c:
Texas Health Resources (THR) prepares consolidated financial statements with its related entities. The THR Board appoints an audit and compliance sub-committee that assumes responsibility for oversight of the consolidated audit for all related entities. The related entities do not have a separate audit committee, but abide by the THR committee's oversight.

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

2010

Open to Public Inspection

Name of the organization
Texas Health Resources

Employer identification number
75-2702388

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
Texas Health Partners, LLC 14131 Midway Rd, Ste 1050 Addison, TX 75001 02-0546958	Management Company	Texas	21,170,317	10,157,605	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
Deuteronomy 8440 Walnut Hill Lane, Ste 830 Dallas, TX 75231 75-2561680	Physician Clinic	Texas	501(c)(3)	9	Texas Health Resources		X
Harris Methodist Health System 612 E. Lamar Blvd, Ste 1400 Arlington, TX 76011 75-1823547	Supporting Organization	Texas	501(c)(3)	11 Type 1	N/A		X
Presbyterian Healthcare Resources 612 E. Lamar Blvd, Ste 1400 Arlington, TX 76011 51-0190395	Supporting Organization	Texas	501(c)(3)	11 Type 3	N/A		X
Texas Health Arlington	Hospital				Texas Health		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispro-portionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
AMH Cath Labs, LLC 800 W. Randol Mill Rd Arlington, TX 76012 20-3003947	Healthcare Services	Texas	N/A					X			X	
Denton Surgery Center, LLC 14131 Midway Rd, St 1050 Addison, TX 75001 47-0926556	Ambulatory Surgery Center	Texas	N/A					X			X	
Flower Mound Hospital Partners, LLC	Hospital		N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
AMH Health Ventures, Inc. 800 W. Randol Mill Road Arlington, TX 76012 75-2141114	Computer & Billing Services	Texas	Arlington Memorial Hospital	C-Corp			
PH Denton Physicians, Inc. 3000 N. Interstate 35 Denton, TX 76201 26-1696945	Physician Services	Texas	Texas Health Presbyterian Hospital Denton	C-Corp			
Biomedical Advancement Center, Inc. 812 E. Lamar Blvd Arlington, TX 76011 75-2636884	Inactive	Texas	Texas Health Research & Education Institute	C-Corp			
Texas Health Resources	Insurance		Texas Health				

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

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

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

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
AMH Cath Labs	k	752,380	Contract
Physcians Medical Center LLC	k	4,878,504	Contract
Southlake Specialty Hospital, LLC	k	4,003,976	Contract
Rockwall Regional Hospital, LLC	k	5,668,071	Contract
Denton Surgery Center, LLC	k	480,599	Contract
Flower Mound Hospital Partners, LLC	k	2,152,734	Contract

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Schedule R, Part III, Identification of Related Organizations Taxable as a Partnership: Texas Health Presbyterian Hospital Dallas (THD) owns a 50% interest in and has governance control of Texas Institute for Surgery LLP. This entity has been reported on the Schedule R as a related entity.

Schedule R Part V, Transactions with Related Organizations:
Founded in 1997, Texas Health Resources ("THR") through its controlled affiliates provides a comprehensive array of healthcare and related services. THR's role is to plan, manage and coordinate the activities of the affiliated healthcare system to maximize opportunities to deliver cost effective quality medical care to residents of north central Texas. THR provides direction and oversight to its wholly-controlled affiliates providing centralized services. THR also operates professional office buildings leased primarily to physicians who are members of the medical staff of THR affiliated hospitals. THR also operates, manages and coordinates through Texas Health Organization for Physicians, a division of THR, the activities of Texas Health Physicians Group (THPG). THPG is a network of primary and specialty care physician practices providing the north Texas area community access to quality health care delivered either through an office setting or through a hospital system. Texas Health Partners, LLC (TPR) is a wholly owned management company that is treated as a disregarded entity by THR. TPR provides management services for related joint ventures. TPR has service contract agreements with various related joint ventures. All service agreement fees are priced at fair market value. THR also has service contract agreements with various joint ventures. These contracts are also priced at fair market value.

The range of centralized services provided by THR include information services, managed care contracting, human resources, revenue cycle, legal, tax, compliance, supply chain, quality, business development, insurance, treasury, accounting, marketing and strategic planning. In providing this centralized service, THR maintains an intercompany receivable/payable account with each entity. Daily transactions are run thru these intercompany accounts, most of which do not fall within the scope of IRC Section 512(b)(13). The transactions not falling within this scope are not reported on Form 990 Schedule R, Part V, Line 2. Examples of these types of transactions are as follows:
Daily cash sweeps of affiliate accounts to central account.
Daily cash transfer from THR to affiliates to cover daily cash needs
Allocation of centralized bond interest allocated to affiliates
Allocation of centralized payroll to appropriate affiliate
Allocation of centralized contracts to appropriate affiliate.
Allocation of bills paid by THR to appropriate affiliate.
Allocation of rebates received to appropriate affiliate.
Allocation of centralized insurance costs to appropriate affiliates.

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

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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	(g) Section 512(b)(13) controlled entity? Yes	(g) No
Memorial Hospital 800 Randol Mill Rd Arlington, TX 76012 75-0972805		Texas	501(c)(3)	3	Resources		X
Texas Health Harris Methodist Foundation 6100 Western Place, Ste 1001 Fort Worth, TX 76107 75-2401033	Supporting Organization	Texas	501(c)(3)	9	Harris Methodist Health System		X
Texas Health Harris Methodist Hospital Azle 108 Denver Trail Azle, TX 76020 75-1748586	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Harris Methodist Hospital Cleburne 201 Walls Dr Cleburne, TX 76033 75-1977850	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Harris Methodist Hospital Fort Worth 1301 Pennsylvania Ave Fort Worth, TX 76104 75-6001743	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Harris Methodist Hospital Hurst-Euless-Bedford 1600 Hospital Parkway Bedford, TX 76022 75-1438726	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Harris Methodist Hospital Southwest Fort Worth 6100 Hospital Parkway Fort Worth, TX 76132 75-2678857	Hospital	Texas	501(c)(3)	3	Texas Health		X

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

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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	(g) Section 512(b)(13) controlled entity? Yes	(g) No
Hospital Stephenville 411 Belknap Stephenville, TX 76401 75-1752253		Texas	501(c)(3)	3	Resources Texas Health Resources		X
Texas Health Physicians Group 1301 Pennsylvania Ave. Fort Worth, TX 76104 75-2613493	Physician Clinic	Texas	501(c)(3)	11 Type 1	Texas Health Resources		X
Texas Health Presbyterian Foundation 8440 Walnut Hill Ln, Ste 800, LB6 Dallas, TX 75231 75-2022128	Supporting Organization	Texas	501(c)(3)	9	Presbyterian Healthcare Resources		X
Texas Health Presbyterian Hospital Allen 1105 Central Expressway North Allen, TX 75013 75-2890358	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Presbyterian Hospital Dallas 8200 Walnut Hill Ln Dallas, TX 75231 75-1047527	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Presbyterian Hospital Denton 3000 North Interstate 35 Denton, TX 76201 43-2008974	Hospital	Texas	501(c)(3) Pend	3	Texas Health Resources		X
Texas Health Presbyterian Hospital Kaufman 850 Ed Hall Drive Kaufman, TX 75142 75-2771437	Hospital	Texas	501(c)(3)	3	Texas Health		X
Texas Health Presbyterian							

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

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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	(g) Section 512(b)(13) controlled entity? Yes	(g) No
Hospital Plano 6200 W. Parker Rd Plano, TX 75093 75-2770738		Texas	501(c)(3)	3	Resources		X
Texas Health Presbyterian Hospital Winnsboro 719 W. Coke Rd Winnsboro, TX 75494 75-2771569	Hospital	Texas	501(c)(3)	3	Texas Health Resources		X
Texas Health Research & Education Institute 612 E. Lamar Blvd, Ste 1400 Arlington, TX 76011 75-2562191	Medical Research & Education	Texas	501(c)(3)	4	Texas Health Resources		X
Texas Health Resources 612 E. Lamar Blvd, Ste 1400 Arlington, TX 76011 75-2702388	Mgmt Supporting Organization	Texas	501(c)(3)	11 Type 3	N/A		X
Texas Health Resources Self-Insurance Trust 612 E. Lamar Blvd, Ste 1400 Arlington, TX 76011 75-6335901	Insurance Trust	Texas	501(c)(3)	11 Type 3	Texas Health Resources		X
Texas Health Specialty Hospital 1301 Pennsylvania Ave, 4th Flr Fort Worth, TX 76104 75-1648589	Long Term Hospital	Texas	501(c)(3)	3	Texas Health Resources		X

990 - Schedule R Part III, Continuation of Identification of Related Organizations Taxable as a Partnership

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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) Dispro-portionate allocations? Yes	(h) Dispro-portionate allocations? No	(i) Code V-UBI amt in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
14131 Midway Rd, Ste 1050 Addison, TX 75001 26-0684968 Harris HEB Radiology, Ltd 1600 Hospital Parkway Bedford, TX 76022	MRI Services	Texas	N/A	related	-13,492,567	61,834,629		X	0		X	0.52
75-2825710 Harris Oncology LLC 1600 Hospital Parkway Bedford, TX 76022	Rental Real Estate	Texas	N/A					X			X	
75-2927939 Health Imaging Partners LLC 8610 Explorer Dr., Ste 300 Colorado Spring, CO 80920	Outpatient Diag. Imaging Ctr	Texas	N/A					X			X	
27-1385885 HEB Oncology, LP 1601 Hospital Parkway Bedford, TX 76022	Rental Real Estate	Texas	N/A	related	3,039,585	11,125,163		X	0		X	0.51
75-2927940 Physician Medical Center LLC 6200 W. Parker Rd. Plano, TX 75093	Hospital	Texas	Texas Health Presbyterian Hospital Plano					X			X	
48-1281376 Presbyterian Cancer	Medical	Texas	N/A	related	1,538,581	1,506,811		X	0		X	0.06

990 - Schedule R Part III, Continuation of Identification of Related Organizations Taxable as a Partnership

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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) Dispro-portionate allocations? Yes	(h) No	(i) Code V-UBI amt in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
Center-Dallas, LLC 6200 W. Parker Rd. Plano, TX 75093 26-0422749	Management	Texas						X			X	
Radiology Management Co, LLC 1601 Hospital Parkway Bedford, TX 76022 75-2825708	MRI Services	Texas	N/A					X			X	
Rockwall Regional Hospital LLC 14131 Midway Rd, Ste 1050 Addison, TX 75001 20-2848116	Hospital	Texas	N/A	related	2,458,762	44,302,645		X	0	X		0.05
Sherman Grayson Health System, LLC 500 Highland Ave Sherman, TX 75092 27-2025497	Hospital	Texas		related	4,911,575	36,804,163		X	0		X	0.50
Southlake Specialty Hospital LLC 14131 Midway Rd, Ste 1050 Addison, TX 75001 02-0555370	Hospital	Texas	Texas Health Presbyterian Hospital HEB	related	710,335	1,458,176		X	0	X		0.06
Texas Health MedSynergies, LLC 1255 Corporate Drive, Fl 3 Irving TX 75038 80-0272951	Management Consulting	Texas	N/A	related	-14,477	13,089,508		X	0		X	0.65

990 - Schedule R Part III, Continuation of Identification of Related Organizations Taxable as a Partnership

X | For Calendar year 2010, or tax year period beginning | and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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) Dispro-portionate allocations? Yes	(h) No	(i) Code V-UBI amt in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
Texas Single Source Staffing 524 E. Lamar Blvd, Ste 300 Arlington, TX 76011 27-0324828	Manage Contract Nursing	Texas	N/A	related	-417,833	1,532,636		X	0	X		0.60
Texas Institute for Surgery, LLP 7715 Greenville Ave, Ste 100 Dallas, TX 75231 77-0628004	Hospital	Texas	N/A					X			X	
Women's Specialty Surgery Center 1300 Post Oak Blvd, Ste 600 Houston, TX 77056 26-2310072	Ambulatory Surgery Center	Texas	N/A					X			X	
USMD Hospital at Fort Worth, LP 801 I-20 West Arlington, TX 76107 73-1662763	Hospital	Texas	N/A	related	4,739,699	33,524,347		X	0		X	0.51
USMD Hospital of Arlington, LP 801 I-20 West Arlington, TX 76107 20-3571243	Hospital	Texas	N/A	related	1,484,634	9,584,915		X	0		X	0.51

990 - Schedule R Part IV, Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(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
Casualty Company c/o AON Insurance 76 St Paul 5th floor Burlington, VT 05401 03-0310676		Vermont	Resources	C-Corp	6,082	23,005	100.00

990 - Schedule R Part V, Continuation of Transactions With Related Organizations

For Calendar year 2010, or tax year period beginning and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
Texas Institute for Surgery, LLP	k	1,464,708	Contract
Texas Health SingleSource Staffing	l	500,000	Contract
Health Imaging Partners, LLC	k	149,430	Contract

Continuation Sheet for Form 990

Open to Public Inspection | For calendar year 2010 or tax period beginning , and ending

Name of the Organization: Texas Health Resources

Employer Identification number: 75-2702388

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key Employee	Highest Compensated Employee	Former			
Britt Berrett Exec. Vice President	40.00			X				0	709,191	268,353
Jonathan Scholl Exec Vice President	40.00			X				753,984	0	181,174
David Hadley Former Officer	0.00						X	134,819	0	0
Edward Marx Sr Vice President	40.00				X			584,055	0	153,539
Stan Dennis Sr. Vice President	40.00				X			544,935	0	163,323
Kevin Holmes Sr. Vice President	40.00				X			514,377	0	180,057
Ferdinand Velasco M.D. CMIO	40.00				X			489,466	0	103,310
John Gaida Sr. Vice President	40.00				X			456,038	0	136,591
Jack Roper Sr. Vice President	40.00				X			442,261	0	127,173
David Tesmer Sr. Vice President	40.00				X			417,593	0	93,682
Elaine Gwaltney Sr. Vice President	40.00				X			406,088	0	107,186
Joan Clark Sr. Vice President	40.00				X			404,145	0	117,481
Michelle Kirby Sr. Vice President	40.00				X			387,149	0	112,348
Jim Dunn Vice President	40.00				X			351,651	0	20,189
Elaine Anderson Sr. Vice President	40.00				X			349,785	0	97,916
George Pearson Sr. Vice President	40.00				X			349,134	0	107,451
Ricky McWhorter Senior Vice President	40.00				X			311,667	0	64,849
Amy Schornick Vice President	40.00				X			290,361	0	36,917
John Mizerany Vice President	40.00				X			283,707	0	23,419
Janelle Browne Vice President	40.00				X			275,376	0	15,808
Patricia Johnston										

Continuation Sheet for Form 990

Open to Public Inspection | For calendar year 2010 or tax period beginning , and ending

Name of the Organization: Texas Health Resources

Employer Identification number: 75-2702388

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key Employee	Highest Compensated Employee	Former			
Vice President James Logsdon	40.00				X			272,986	0	48,392
Vice President David Jackson	40.00				X			270,799	0	27,373
Vice President Krystal Mims	40.00				X			261,701	0	26,383
President THPR Scott Leddy M.D.	40.00					X		555,387	0	254,154
Director Stanley Ryfa	40.00					X		419,142	0	25,367
Sr Vice President THPR Luis Saldana M.D.	40.00					X		417,400	0	109,813
Director Sandra Reeves	40.00					X		360,666	0	31,751
Vice President	40.00					X		261,366	0	66,831

990 PRINCIPAL OFFICER NAME AND ADDRESS

Attachment 1: Form 990 Page 1, Line F

Open to Public Inspection	For calendar year 2010, or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

990, Page 1, Line F

Principal officer name or Business Name: Doug Hawthorne

Street Address: 612 E. Lamar Blvd

U S Address:

Zip code: 76011 City: Arlington State: TX

or

Foreign Address

City:

Province or State:

Country:

Postal code:

990 PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENT

Attachment 2: Form 990 Page 2, Part III

Open to Public Inspection	For calendar year 2010, or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Part III - Statement of Program Service Accomplishments

Code Expenses 352,788,193 including Grants of 3,331,374 Revenue 342,823,745

Exempt Purpose Achievements

Founded in 1997, Texas Health Resources (THR) provides direction and oversight to its wholly-controlled affiliates. The range of centralized services provided by THR include information services, managed care contracting, human resources, revenue cycle, legal, tax, compliance, supply chain, quality business development, insurance, treasury, marketing general accounting, and strategic planning. THR also operates professional office buildings leased primarily to physicians who are members of the medical staff of THR affiliated hospitals. THR also operates, manages and coordinates through Texas Health Organization for Physicians, a division of THR, the activities of Texas Health Physicians Group (THPG), a wholly owned affiliate of THR. THPG is a network of primary and specialty care physycian practices providing the north Texas area community access to quality health care delivered either through an office setting or through a hospital program.

990 BOOKS ARE IN CARE OF

Attachment 3: Form 990 Page 6, Part VI, Section C, Line 20

Open to Public Inspection	For calendar year 2010 or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Part VI - Line 20

Individual Name or Business Name: Jack Roper

Street Address: 612 E. Lamar Blvd

U S Address

Zip code: 76011 City: Arlington State: TX

or

Foreign Address

City:

Province or State:

Country:

Postal code:

Phone Number: (682)236-7900

Fax Number: (682)236-7203

990 PAGE 10, OTHER EXPENSES

Attachment 5: Form 990 Page 10, Line 24 - Other Expenses

Open to Public Inspection	For calendar year 2010 or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Other Expenses	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
Other Services	455,965	455,965		
Furniture & Equipement	294,839	294,839		
Dietary Expense	168,183	168,183		
Bad Debt Expense	117,318	117,318		
Uniforms	26,685	26,685		
Total:	1,062,990	1,062,990		

FIVE HIGHEST COMPENSATED INDEPENDENT CONTRACTORS

Attachment 4: Form 990 Page 8, Part VII

For calendar year 2010 or tax period beginning , and ending .

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Part VII Five Highest Compensated Independent Contractors

(a) Name and address of each independent contractor paid more than $100,000	(b) Type of service	(c) Compensation
One Southwest Media Group 2100 Ross Ave Dallas, TX 75201	Advertising	8,895,451
Premier Inc. 12225 El Camino Real San Diego, CA 92130	Software	3,457,086
Animato Technologies Corp 3710 Rawlins St. Dallas, TX 75219	Payroll Consulting	3,144,840
Commerce House LP 331 Cole St. Dallas, TX 75207	Advertising	2,589,460
CSC Consulting Inc 3811 Turle Creek Dallas, TX 75219	Consulting	2,500,151

990 INFORMATION ABOUT SUPPORTED ORGANIZATIONS

Attachment 6: Sch A Page 1, Part I, Line 11h - Info About Supported Orgs

Open to Public Inspection | For calendar year 2010 or tax period beginning , and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

(a) Name(s) of Supported Organization(s)	Employer EIN	Line No (1 to 9) or IRC Section	Governing Documents	Notify Org of Support	Organization in the U S	Amount of Support
Texas Health Arlington Memorial Hospital	75-0972805	501(c)(3)	X	X	X	22,096,901
Texas Health Harris Methodist Hospital Stephenville	75-1752253	501(c)(3)	X	X	X	4,389,710
Texas Health Harris Methodist Hospital Azle	75-1748586	501(c)(3)	X	X	X	3,314,213
Texas Health Harris Methodist Hospital Cleburne	75-1977850	501(c)(3)	X	X	X	6,342,751
Texas Health Harris Methodist Hospital Fort Worth	75-6001743	501(c)(3)	X	X	X	66,236,026
Texas Health Specialty Hospital Fort Worth	75-1648589	501(c)(3)	X	X	X	580,787
Texas Health Harris Methodist Hospital HEB	75-1438726	501(c)(3)	X	X	X	24,601,397
Texas Health Harris Methodist Hospital Southwest Fort Worth	75-2678857	501(c)(3)	X	X	X	14,437,910
Texas Health Presbyterian Hospital Allen	75-2890358	501(c)(3)	X	X	X	8,031,715
Texas Health Presbyterian Hospital Dallas	75-1047527	501(c)(3)	X	X	X	67,183,989
Texas Health Presbyterian Hospital Denton	43-2008974	501(c)(3)	X	X	X	11,648,217
Texas Health Presbyterian Hospital Kaufman	75-2771437	501(c)(3)	X	X	X	3,799,039
Texas Health Presbyterian Hospital Plano	75-2770738	501(c)(3)	X	X	X	34,087,492
Texas Health Research & Education Institute	75-2562191	501(c)(3)	X	X	X	1,114,512

990 SCHEDULE L - PART II - LOANS TO AND/OR FROM INTERESTED PERSONS

Attachment 7: Sch L, Part II - Loans To/From Interested Persons

Open to Public Inspection	For calendar year 2010 or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Part II **Loans to and/or From Interested Persons**

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

(a) Name of Interested Person and Purpose	(b) Loan to or From The Organization?		(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
Bell, Bonnie Surrender Value of Split Dollar Life Ins. Policy		X	255,265	237,314		X	X		X	
Berdan, Barclay Surrender Value of Split Dollar Life Ins. Policy		X	346,997	284,862		X	X		X	
Boes, Charles Surrender Value of Split Dollar Life Ins. Policy		X	325,286	294,718		X	X		X	
Bourland, Ronald Surrender Value of Split Dollar Life Ins. Policy		X	640,315	590,637		X	X		X	
Canose, Jeffrey Surrender Value of Split Dollar Life Ins. Policy		X	139,520	136,006		X	X		X	
Casey, John Surrender Value of Split Dollar Life Ins. Policy		X	705,900	553,738		X	X		X	
Deegan, Michael Surrender Value of Split Dollar Life Ins. Policy		X	454,998	435,153		X	X		X	
Dennis, Stanley Surrender Value of Split Dollar Life Ins. Policy		X	202,725	177,859		X	X		X	
Gaida, John Surrender Value of Split Dollar Life Ins. Policy		X	315,135	273,109		X	X		X	
Hanson, Stephen Surrender Value of Split Dollar Life Ins. Policy		X	452,570	446,632		X	X		X	
Hawthorne, Douglas Surrender Value of Split Dollar Life Ins. Policy		X	720,946	720,946		X	X		X	
			Total ▶ $	4,150,974						

990 SCHEDULE L - PART II - LOANS TO AND/OR FROM INTERESTED PERSONS

Attachment 7: Sch L, Part II - Loans To/From Interested Persons

Open to Public Inspection	For calendar year 2010 or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Part II **Loans to and/or From Interested Persons**

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

(a) Name of Interested Person and Purpose	(b) Loan to or From The Organization?		(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
Holmes, Kevin Surrender Value of Split Dollar Life Ins. Policy		X	117,914	114,925		X	X		X	
King, James Surrender Value of Split Dollar Life Ins. Policy		X	167,282	153,858		X	X		X	
Kirby, Michelle Surrender Value of Split Dollar Life Ins. Policy		X	37,496	31,359		X	X		X	
Kramer, Kenneth Surrender Value of Split Dollar Life Ins. Policy		X	188,205	177,991		X	X		X	
Kretz, Blake Surrender Value of Split Dollar Life Ins. Policy		X	174,412	173,160		X	X		X	
Leu, Christopher Surrender Value of Split Dollar Life Ins. Policy		X	133,572	131,221		X	X		X	
Long, Ronald Surrender Value of Split Dollar Life Ins. Policy		X	308,516	301,845		X	X		X	
Mason, Stephen Surrender Value of Split Dollar Life Ins. Policy		X	678,206	473,605		X	X		X	
McCabe, John Surrender Value of Split Dollar Life Ins. Policy		X	308,504	268,605		X	X		X	
McClung, Brett Surrender Value of Split Dollar Life Ins. Policy		X	114,915	112,408		X	X		X	
McKinney, Sheila Surrender Value of Split Dollar Life Ins. Policy		X	96,533	93,408		X	X		X	
			Total ▶ $	2,032,385						

990 SCHEDULE L - PART II - LOANS TO AND/OR FROM INTERESTED PERSONS

Attachment 7: Sch L, Part II - Loans To/From Interested Persons

Open to Public Inspection | For calendar year 2010 or tax period beginning , and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

Part II Loans to and/or From Interested Persons

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

(a) Name of Interested Person and Purpose	(b) Loan to or From The Organization?		(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
Merrill, Mark Surrender Value of Split Dollar Life Ins. Policy		X	236,469	211,023		X	X		X	
Muntz, David Surrender Value of Split Dollar Life Ins. Policy		X	292,520	220,755		X	X		X	
Paganelli, Deborah Surrender Value of Split Dollar Life Ins. Policy		X	114,793	104,606		X	X		X	
Pearson, George Surrender Value of Split Dollar Life Ins. Policy		X	224,739	241,379		X	X		X	
Roper, Jack Surrender Value of Split Dollar Life Ins. Policy		X	224,739	166,806		X	X		X	
Tesmer, David Surrender Value of Split Dollar Life Ins. Policy		X	81,279	71,781		X	X		X	
Troup, Matthew Surrender Value of Split Dollar Life Ins. Policy		X	96,714	92,147		X	X		X	
White, Douglas Surrender Value of Split Dollar Life Ins. Policy		X	100,614	91,832		X	X		X	
Youngs, Patsy Surrender Value of Split Dollar Life Ins. Policy		X	191,020	191,020		X	X		X	
			Total ▶ $	1,391,349						

990 SCHEDULE OF UNRELATED BUSINESS INCOME OR (LOSS) FROM PARTNERSHIPS

Attachment 1: page 1 - 990-T Page 1, Part I, Line 5

Open to Public Inspection	For calendar year 2010 or tax period beginning , and ending

Name of Organization	Employer Identification Number
Texas Health Resources	75-2702388

Name of Partnership	Share of Income	Share of Deductions
USMD Hospital at Arlington, LP	410,571	
Premier Purchasing Partners	233,330	
Totals:	643,901	

990 SCHEDULE OF OTHER DEDUCTIONS

Attachment 2: page 1 - 990-T Page 1, Part II, Line 28

Open to Public Inspection

For calendar year 2010 or tax period beginning , and ending

Name of Organization: Texas Health Resources

Employer Identification Number: 75-2702388

Description of Deduction	Total Amount
Professional Fees	172,985
Telephone Expense	1,056,095
Miscellaneous	199,784
Supplies	83,084
Rents	143,810
Insurance	15,161
Management Fee	65,414
Legal & Acct Fees	58,150
Other Purchased Services	1,707,982
Utilities	23,465
Page Total	
Total	3,525,930