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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

TO PROVIDE THE COMMUNITY WITH A FULL RANGE OF COMPREHENSIVE HEALTHCARE SERVICES WITHOUT REGARD TO RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE, OR ABILITY TO PAY

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 \$ 31,826,234 including grants of \$ 946,111) (Revenue \$ 37,733,895)

THE HOSPITAL'S OPERATING PLAN INCORPORATES PROVISIONS FOR INDIVIDUALS WHO DO NOT POSSESS THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES OUR COMMITMENT TO OUR COMMUNITY EXTENDS TO FREE OR SUBSIDIZED INDIVIDUAL CARE, SUBSIDIZED EDUCATION OF HEALTHCARE PROFESSIONALS, DISCOUNTED FEES FOR PARTICIPANTS IN GOVERNMENT PROGRAMS, COMMUNITY HEALTH EDUCATION AND DONATIONS TO OTHER COMMUNITY AGENCIES SPECIFIC COMMUNITY SERVICES AND PROGRAMS INCLUDE WELLNESS AND PREVENTION EDUCATION PROGRAMS, COMMUNITY DIAGNOSTIC SCREENING PROGRAMS, SENIOR CITIZEN HEALTH AWARENESS PROGRAMS, AWARENESS PROGRAMS FOR YOUTH AT RISK, AND AWARENESS PROGRAMS FOR PERSONS WITH SPECIAL PHYSICAL OR MENTAL NEEDS

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 \$ 31,826,234

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
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	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 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 Yes	
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	No
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	No
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 Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
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	No
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	No
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 Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance						
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	0			
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				
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	214	2b	Yes	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a				No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b				
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a				No
b	If "Yes," enter the name of the foreign country: _____ See 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				No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b				No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a				No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b				
7	Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a				No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b				
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c				No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e				No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f				No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8				
9	Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a				
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b				
10	Section 501(c)(7) organizations. Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b				
11	Section 501(c)(12) organizations. Enter:					
a	Gross income from members or shareholders.	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b				
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a				
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b				
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				
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				No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b				

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

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

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
10b	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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	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	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
15c	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?		No
16b	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?		

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
MOTHER FRANCES HOSP ACCTG DEPT
1315 DOCTORS DRIVE
TYLER, TX 75701
(903) 531-5764

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

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, and **current** key employees. 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 organization 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			
(1) THOMAS N CAMMACK JR CEO/DIRECTOR/SECRETARY/TREAS	40 0	X		X				274,979	0	13,258
(2) MATTHEW A VIERKANT MD DIRECTOR	10 0	X						0	498,663	21,356
(3) RAY THOMPSON SYS EXEC VP/CEO/DIRECTOR	1 0	X		X				0	1,194,193	476,648
(4) GLEN T HAMILTON DIRECTOR/VICE CHAIR	10 0	X		X				0	0	0
(5) WILLIAM MILAWSKI MD DIRECTOR	10 0	X						0	235,647	17,894
(6) DICK STONE DIRECTOR	1 0	X						0	0	0
(7) RANDY GORHAM DIRECTOR	1 0	X						0	0	0
(8) J LINDSEY BRADLEY JR SYSTEM PRESIDENT/DIRECTOR	1 0	X		X				0	1,751,282	13,611
(9) MICHAEL LEWIS COO	1 0			X				123,995	0	13,309
(10) PAM VUKOVICH INTERIM CFO	1 0			X				0	0	0
(11) BARRY L THIBODEAUX CRNA	40 0					X		233,454	0	5,745
(12) JACK CAPPS CRNA	40 0					X		226,443	0	15,825
(13) BEN BEATHARD ECC NURSE	40 0					X		105,651	0	11,726
(14) KLEANTHE CARUSO CNO	40 0					X		115,013	0	1,978

Part VII

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	6
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3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>

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
CARDIAC IMAGING SERVICES 1737 DOMINION PLAZA TYLER, TX 75703	CARDIAC IMAGING	390,719
COMPLETE RX LTD 3100 S GESSNER SUITE 640 HOUSTON, TX 77063	PHARMACY SERVICES	672,497
TRINCARE CLINICAL LABORATORIES 3200 TROUP HWY TYLER, TX 75701	LAB SERVICES	313,583
SIEMENS MEDICAL SOLUTIONS PO BOX 120001 DALLAS, TX 75312	SOFTWARE MAINTENANCE	292,904
VIRTUAL RADIOLOGIC DEPT 7080 CAROL STREAM, IL 60122	RADIOLOGIC IMAGING	188,130
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 ▶6		

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		0			
	Program Service Revenue	2a	NET PATIENT REVENUE	621110	34,708,727	34,708,727	
b		OTHER REVENUE	900099	3,025,168	3,025,168		
c							
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f		37,733,895			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		0		
	4	Income from investment of tax-exempt bond proceeds . . .		0			
	5	Royalties		0			
	6a	Gross Rents	(i) Real	(ii) Personal			
	b	Less rental expenses		46,737			
	c	Rental income or (loss)		0			
	d	Net rental income or (loss)		46,737			46,737
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		0			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events . . .		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a				
	b	Less direct expenses	b				
c	Net income or (loss) from gaming activities . . .		0				
10a	Gross sales of inventory, less returns and allowances . . .	a					
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory . . .		0				
Miscellaneous Revenue		Business Code					
11a	MEDICAL RECORDS FEES	900099	84			84	
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		84				
12	Total revenue. See Instructions		37,780,716	37,733,895		46,821	

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	946,111	946,111		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	425,542	345,476	80,066	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	7,315,804	5,939,337	1,376,467	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	1,828,008	1,484,210	343,798	
10	Payroll taxes	0			
a	Fees for services (non-employees)				
	Management	687,567	23,018	664,549	
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	10,834,422	9,832,199	1,002,223	
12	Advertising and promotion	71,854		71,854	
13	Office expenses	169,615	107,015	62,600	
14	Information technology	25,795	10,439	15,356	
15	Royalties	0			
16	Occupancy	2,735,693	2,598,908	136,785	
17	Travel	6,866	3,193	3,673	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	15,338	6,453	8,885	
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	465,207	441,947	23,260	
23	Insurance	0			
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	BAD DEBT EXPENSE	6,766,657	6,766,657		
b	MEDICAL SUPPLIES	2,693,205	2,653,027	40,178	
c	FOOD	109,061	104,613	4,448	
d	REPAIRS AND MAINTENANCE	504,709	501,491	3,218	
e	MINOR EQUIPMENT	51,067	48,518	2,549	
f	All other expenses	35,877	13,622	22,255	
25	Total functional expenses. Add lines 1 through 24f	35,688,398	31,826,234	3,862,164	0
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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			124,336	1	118,507
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			3,426,703	4	4,311,646
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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) Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			233,509	8	158,986
	9	Prepaid expenses and deferred charges			66,289	9	104,529
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	8,850,847			
	b	Less: accumulated depreciation	10b	7,781,743	1,155,074	10c	1,069,104
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			7,229,373	15	18,178,922
16	Total assets. Add lines 1 through 15 (must equal line 34)			12,235,284	16	23,941,694	
Liabilities	17	Accounts payable and accrued expenses			1,189,888	17	1,639,796
	18	Grants payable			36,113	18	0
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			590,930	25	9,791,227
	26	Total liabilities. Add lines 17 through 25			1,816,931	26	11,431,023
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			10,418,353	27	12,510,671
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			10,418,353	33	12,510,671
34	Total liabilities and net assets/fund balances			12,235,284	34	23,941,694	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	37,780,716
2	Total expenses (must equal Part IX, column (A), line 25)	2	35,688,398
3	Revenue less expenses Subtract line 2 from line 1	3	2,092,318
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	10,418,353
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
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	12,510,671

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization MOTHER FRANCES HOSPITAL - JACKSONVILLE	Employer identification number 75-1976930
--	--

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

Part II

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

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2009 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

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 the organization MOTHER FRANCES HOSPITAL - JACKSONVILLE	Employer identification number 75-1976930
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file Form 1120-POL for this year?	☐ Yes ☐ No
5	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-

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

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

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		1,947
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			1,947
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
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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
MOTHER FRANCES HOSPITAL - JACKSONVILLE

Employer identification number
75-1976930

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	Yes No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	Yes No	

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►

4

Number of states where property subject to conservation easement is located ►

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes

No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ►

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

Yes

No

9

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

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

1a

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

b

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

(i)

Revenues included in Form 990, Part VIII, line 1

► \$

(ii)

Assets included in Form 990, Part X

► \$

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

1b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

2b

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				
1b	Contributions				
1c	Investment earnings or losses				
1d	Grants or scholarships				
1e	Other expenditures for facilities and programs				
1f	Administrative expenses				
1g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

2a

Board designated or quasi-endowment ▶

2b

Permanent endowment ▶

2c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

☐ Yes

☐ No

3a(ii)

☐ Yes

☐ No

3b

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

☐ Yes

☐ No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
1b Buildings				
1c Leasehold improvements				
1d Equipment		8,850,847	7,781,743	1,069,104
1e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				1,069,104

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	37,780,716
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	35,688,398
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,092,318
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,092,318

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	37,780,716
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e	
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	37,780,716
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	37,780,716

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	35,688,398
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e	
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	35,688,398
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	35,688,398

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
FIN 48 DISCLOSURE		MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MOTHER FRANCES HOSPITAL - JACKSONVILLE

Employer identification number
75-1976930

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

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)			1,397,686		1,397,686	4 830 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			5,154,789	5,979,187		
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			32,197	34,617		
d Total Financial Assistance and Means-Tested Government Programs			6,584,672	6,013,804	1,397,686	4 830 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)			17,991		17,991	0 060 %
g Subsidized health services (from Worksheet 6)			169,564		169,564	0 590 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			946,111		946,111	3 270 %
j Total Other Benefits			1,133,666		1,133,666	3 920 %
k Total. Add lines 7d and 7j			7,718,338	6,013,804	2,531,352	8 750 %

Part IICommunity Building Activities

during the tax year, and describe in Part VI how its 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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad 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	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,496,111
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	11,378,285
6	Enter Medicare allowable costs of care relating to payments on line 5	6	11,064,461
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	313,824
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used. ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

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

(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? 1

[illegible]

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? _____

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 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

Identifier	ReturnReference	Explanation
PART III, LINE 4		PATIENT ACCOUNTS RECEIVABLE ARE STATED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS THE HOSPITAL, CLINIC, JACKSONVILLE AND WINNSBORO PROVIDE AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THIRD-PARTY PAYERS ARE BILLED DIRECTLY AND BILLS ARE SENT TO THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT THE AMOUNT REPORTED ON LINE 2 IS BASED ON BAD DEBTS PER THE AUDITED FINANCIAL STATEMENTS AFTER APPLYING THE COST-TO-CHARGE RATIO THE ORGANIZATION IS UNABLE TO ESTIMATE THE AMOUNT FOR LINE 3 AND HAS ELECTED TO LEAVE IT BLANK

Identifier	ReturnReference	Explanation
PART III, LINE 8		THE MEDICAL CENTER USES MEDICARE COST REPORT METHODOLOGY, WHICH APPORTIONS ROUTINE COSTS (ROOM AND BOARD) BASED ON MEDICARE OR MEDICAID DAYS TO TOTAL DAYS AND APPORTIONS ANCILLARY COSTS BASED ON PROGRAM CHARGES TO TOTAL CHARGES

Identifier	ReturnReference	Explanation
PART III, LINE 9B		THE ORGANIZATION HAS A WRITTEN POLICY COVERING PROCEDURES FOR COLLECTING AND WRITING OFF BAD DEBTS. ACCORDING TO THE POLICY, IF A PATIENT APPEARS TO BE INDIGENT, ACCOUNTS SHOULD BE REVIEWED, AT ANY TIME DURING THE COLLECTION PROCESS, FOR POSSIBLE CONSIDERATION AS A CHARITY CASE IN ACCORDANCE WITH THE ORGANIZATION'S CHARITY CARE POLICY.

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		THE HOSPITAL'S COMMUNITY HEALTH PROFILES PROVIDE A SNAPSHOT OF SUBURBAN, URBAN, AND RURAL SERVICE AREAS WITHIN TEXAS USING KEY HEALTH INDICATORS, WHICH FACILITATE COMPARISONS LOCALLY, REGIONALLY, AND OVER TIME. COMMUNITY HEALTH PROFILES ARE INTENDED TO ASSIST INTERNAL STAKEHOLDERS, COMMUNITY HEALTH COUNCIL MEMBERS, AND THE COMMUNITY HEALTH IMPROVEMENT DEPARTMENT IN DECIDING WHERE TO ALLOCATE RESOURCES AND ADDRESS HEALTH INEQUALITIES. ALL ENTITY ADVOCATES USE NATIONAL, STATE, AND LOCAL SECONDARY AND PRIMARY DATA SOURCES TO PROVIDE A CURRENT OVERVIEW OF LOCAL HEALTH NEEDS, FACTORS IMPACTING DISEASE AND INJURY BURDEN, SOCIOECONOMIC STATUS, ACCESS TO HEALTH CARE, AGE DISTRIBUTION, INDICATORS AND LIFESTYLE BEHAVIORS. THIS DATA IS USED TO GALVANIZE JOINT COMMUNITY HEALTH EFFORTS TO IMPROVE HEALTH AND REDUCE HEALTH INEQUALITIES AND TO EMPOWER THE GREATER COMMUNITY.

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY AND CONTACT INFORMATION IS POSTED IN VARIOUS AREAS OF THE HOSPITAL INCLUDING ADMISSIONS & REGISTRATION, EMERGENCY, AND OUTPATIENT DEPARTMENTS. ADDITIONALLY, FINANCIAL ASSISTANCE INFORMATION IS PROVIDED, VERBALLY AND IN WRITTEN BROCHURES, TO ALL SELF PAY PATIENTS BY FINANCIAL COUNSELORS. FINANCIAL ASSISTANCE INFORMATION IS ALSO INCLUDED IN EVERY PATIENT BILL. THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY IS COMMUNICATED TO THE PATIENT BY FINANCIAL COUNSELORS WHO ALSO SCREEN SELF PAY PATIENTS FOR POTENTIAL ELIGIBILITY FOR OTHER GOVERNMENTAL ASSISTANCE PROGRAMS. IF IT IS DETERMINED THAT THE PATIENT IS POTENTIALLY ELIGIBLE FOR GOVERNMENTAL ASSISTANCE, THE FINANCIAL COUNSELOR WILL ASSIST THE PATIENT IN COMPLETING ANY FORMS NECESSARY TO APPLY FOR THE ASSISTANCE. AT THE SAME TIME, THE PATIENTS ARE PROVIDED WITH A CHARITY CARE APPLICATION AND INFORMATIONAL FLYER. THE PATIENT IS INFORMED THAT MOTHER FRANCES HOSPITAL-JACKSONVILLE IS A NON-PROFIT CHARITABLE ORGANIZATION OFFERING FINANCIAL ASSISTANCE TO PATIENTS WHO ARE DEEMED MEDICALLY OR FINANCIALLY INDIGENT. THE FINANCIAL COUNSELORS WILL THEN ASSIST THE PATIENT IN COMPLETING THE CHARITY CARE APPLICATION AND OBTAIN ANY AVAILABLE VERIFICATIONS. ONCE THE PATIENT IS DISCHARGED, THE FINANCIAL COUNSELORS WILL CONTINUE TO CONTACT THE PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE AN APPLICATION FOR GOVERNMENTAL ASSISTANCE AND CHARITY CARE HAVE BEEN PROVIDED.

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		MOTHER FRANCES HOSPITAL-JACKSONVILLE IS A 25-BED ACUTE CARE MEDICARE CERTIFIED CRITICAL ACCESS HOSPITAL CHEROKEE COUNTY, THE PRIMARY SERVICE AREA FOR MFH-JACKSONVILLE, HAS A POPULATION OF APPROXIMATELY 57,000 AND IS PRIMARILY 48,000 IN A 1,052 SQUARE MILE AREA THE SECONDARY SERVICE AREA INCLUDES THE SOUTHERN PART OF SMITH COUNTY

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		MOTHER FRANCES HOSPITAL-JACKSONVILLE PROMOTES HEALTHCARE AND WELLNESS EDUCATION BY OFFERING OUTREACH PROGRAMS AND SPECIAL INITIATIVES THAT IMPROVE THE QUALITY OF LIFE AND HEALTH IN THE COMMUNITIES SERVED COMMUNITY BENEFIT IS PROVIDED THROUGH MANY REDUCED PRICE SERVICES AND FREE PROGRAMS TO THE COMMUNITY THESE SERVICES ARE ESSENTIAL TO PROVIDE COMPLETE HEALTHCARE TO THE COMMUNITIES SERVED, SOME OF THESE PROGRAMS INCLUDE THE FOLLOWING CHEROKEE COUNTY RELAY FOR LIFE PROVIDED SPONSORSHIP AND STAFFING SUPPORT FOR CHEROKEE COUNTY RELAY FOR LIFE STAFF PLANNED ACTIVITIES FOR THE ALL-NIGHT EVENT AND MANNED THE EVENT THE PURPOSE OF THE EVENT WAS TO INCREASE AWARENESS ABOUT CANCER IN THE COUNTY WHICH HAS AN ABOVE AVERAGE RATE OF CANCER FAMILY CARE CENTER - WOMEN'S SERVICES OVER 319 VISITS FOR GYNECOLOGICAL SERVICES AT THE LOCAL CLINIC WERE PROVIDED FOR WOMEN THAT DID NOT HAVE A PRIMARY CARE OR SPECIALTY MEDICAL HOME IN ADDITION, SURGERIES WERE PERFORMED BY FAMILY CARE PHYSICIANS AT MFH-JACKSONVILLE JACKSONVILLE RODEO HANDED OUT FANS AND WATER TO PARTICIPANTS AND SPECTATORS AT THE RODEO HELPED EDUCATE PARTICIPANTS ABOUT THE DANGERS OF EXCESSIVE HEAT AND INJURIES CAUSED BY EXTENSIVE HEAT REACHED OVER 1,500 PEOPLE WITH HEAT PREVENTION INFORMATION AND MEDICAL SUPPORT ON SITE JACKSONVILLE ROTARY, ACCESS, AND OTHERS PROVIDED SPONSORSHIP, STAFFING, AND DEVELOPMENT OF PROGRAMS AND EVENTS FOR THE LOCAL COMMUNITY ORGANIZATIONS WHICH BENEFITED INCLUDED JACKSONVILLE LITERACY COUNCIL, LIONS CLUB, ROTARY, RED CROSS, ACCESS, HOPE CENTER, UNITED FUND, AND AMERICAN CANCER SOCIETY MEMBERS OF THE STAFF SERVE IN LEADERSHIP POSITIONS ON VARIOUS BOARDS AND NON-PROFITS IN THE COMMUNITY COMMUNITY HEALTH INFORMATION AND SCREENINGS A VARIETY OF COMMUNITY EVENTS WERE HELD INCLUDING OPPORTUNITIES FOR SCREENINGS AT THE CHEROKEE COOP COUNTY HEALTH FAIR AND AT VARIOUS EDUCATIONAL FACILITIES THESE ACTIVITIES REACHED OVER 1,000 PEOPLE HELPING TO EDUCATE AND IDENTIFY INDIVIDUALS AT RISK AND PROVIDING WAYS TO IMPROVE THEIR HEALTH KID FEST THE HOSPITAL CO-SPONSORED A COMMUNITY PROGRAM WHICH WAS HELD TO EDUCATE FAMILIES AND CHILDREN ON THE IMPORTANCE OF BICYCLE SAFETY OVER 100 CHILDREN PARTICIPATED IN THE PROGRAM

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM		MOTHER FRANCES HOSPITAL-JACKSONVILLE IS PART OF AN AFFILIATED HEALTH CARE SYSTEM CALLED TRINITY MOTHER FRANCES HEALTH SYSTEM TRINITY MOTHER FRANCES IS A FAITH-BASED ORGANIZATION DEDICATED TO CREATING HEALTHY LIVES FOR PEOPLE AND COMMUNITIES MFH-JACKSONVILLE AND ITS AFFILIATES PROMOTE THE HEALTH OF THE COMMUNITIES SERVED BY PROVIDING ACUTE CARE FACILITIES AND CRITICAL ACCESS FACILITIES, WHOSE OPERATIONS CONSIST PRIMARILY OF PROVIDING INPATIENT AND OUTPATIENT ACUTE CARE AND MEDICAL SERVICES TO PATIENTS RESIDING IN EAST TEXAS

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	990 SCHEDULE H, PART VI	TX,

OMB No 1545-0047

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

Open to Public Inspection

Employer identification number
75-1976930

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. ▶

[illegible]

2	Enter total number of section 501(c)(3) and government organizations	1
3	Enter total number of other organizations	0

Part III

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

(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.

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS IN THE U S	PART I, LINE 2	GRANT RECIPIENTS ARE REQUIRED TO ACKNOWLEDGE PRIOR TO THE ISSUANCE OF GRANT FUNDS THAT THE GRANT WILL BE USED IN ACCORDANCE WITH THE STATED PURPOSE OF THE GRANT APPLICATION AND ANY UNUSED FUNDS RELATED TO THE SPECIFIC PURPOSE OF THE GRANT WILL BE RETURNED TO THE ORGANIZATION THE ORGANIZATION MONITORS AND REVIEWS THE FINANCIAL DATA OF RECIPIENTS TO ENSURE THAT THE GRANTED FUNDS ARE BEING USED PROPERLY

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization MOTHER FRANCES HOSPITAL - JACKSONVILLE	Employer identification number 75-1976930
--	--

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 ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
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?		
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 ☒ Independent compensation consultant ☐ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ 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?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II

Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use 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				
(1) THOMAS N CAMMACK JR	(i)	232,173	42,806	0	4,283	8,975	288,237	0
	(ii)	0	0	0	0	0	0	0
(2) MATTHEW A VIERKANT MD	(i)	0	0	0	0	0	0	0
	(ii)	376,341	122,322	0	4,900	16,456	520,019	0
(3) RAY THOMPSON	(i)	0	0	0	0	0	0	0
	(ii)	394,861	412,414	386,918	467,937	8,711	1,670,841	386,918
(4) BARRY L THIBODEAUX	(i)	233,454	0	0	4,293	1,452	239,199	0
	(ii)	0	0	0	0	0	0	0
(5) JACK CAPPS	(i)	226,443	0	0	4,661	11,164	242,268	0
	(ii)	0	0	0	0	0	0	0
(6) WILLIAM MILAWSKI MD	(i)	0	0	0	0	0	0	0
	(ii)	185,424	50,223	0	4,124	13,770	253,541	0
(7) J LINDSEY BRADLEY JR	(i)	0	0	0	0	0	0	0
	(ii)	904,626	846,656	0	4,900	8,711	1,764,893	0
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
PARTICIPATION IN OR PAYMENT FROM SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	PART I, QUESTION 4B	PARTICIPANTS IN SERP REPORTED IN W-2 DEFERRED COMPENSATION ----- RAY THOMPSON \$386,918 \$463,037

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493286012122	
SCHEDULE O (Form 990 or 990-EZ) Department of the Treasury Internal Revenue Service	Supplemental Information to Form 990 or 990-EZ Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.				OMB No 1545-0047
					2010
					Open to Public Inspection
Name of the organization MOTHER FRANCES HOSPITAL - JACKSONVILLE				Employer identification number 75-1976930	

Identifier	Return Reference	Explanation
DESCRIBE REVIEW PROCESS OF FORM 990	FORM 990, PART VI, QUESTION 11A	THE ORGANIZATION ENGAGES AN OUTSIDE ACCOUNTING FIRM TO PREPARE FORM 990 ONCE PREPARED, THE FORM IS REVIEWED BY THE ORGANIZATION'S INTERNAL ACCOUNTANTS PRIOR TO FILING
DESCRIBE THE ORGANIZATION'S MEMBERS OR STOCKHOLDERS	FROM 990, PART VI, QUESTION 6	TRINITY MOTHER FRANCES HEALTH SYSTEM IS THE SOLE MEMBER OF MOTHER FRANCES HOSPITAL - JACKSONVILLE
MEMBERS OR STOCKHOLDERS WHO MAY ELECT MEMBERS OF THE GOVERNING BOARD	FORM 990, PART VI, QUESTION 7A	THE SOLE MEMBER, TRINITY MOTHER FRANCES HEALTH SYSTEM, APPOINTS ALL DIRECTORS AND THEIR SUCCESSORS TO THE GOVERNING BOARD
DECISIONS OF GOVERNING BODY SUBJECT TO APPROVAL BY MEMBER	FORM 990, PART VI, QUESTION 7B	THE MEMBER HAS THE RIGHT TO APPROVE OR DISAPPROVE CERTAIN ACTIONS THAT HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS
HOW DOES THE ORGANIZATION MONITOR AND ENFORCE COMPLIANCE WITH POLICY	FORM 990, PART VI, QUESTION 12C	THE BOARD REVIEWS AND RESOLVES, IF NECESSARY, ANY TRANSACTIONS AS THEY ARISE THROUGHOUT THE YEAR IN ACCORDANCE WITH POLICY STANDARDS
PROCESS FOR DETERMINING COMPENSATION OF CEO, OFFICERS, OR KEY EMPLOYEES	FORM 990, PART VI, QUESTIONS 15A & 15B	THE ORGANIZATION USES COMPENSATION CONSULTANTS AND NATIONAL COMPENSATION SURVEYS TO DETERMINE COMPENSATION OF EMPLOYEES COMPENSATION IS APPROVED BY THE ORGANIZATION'S GOVERNING BODY
DESCRIBE WHETHER THE ORGANIZATION MAKES ITS DOCUMENTS AVAILABLE TO PUBLIC	FORM 990, PART VI, QUESTION 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST
COMPENSATION FROM RELATED ORGANIZATIONS	FORM 990, PART VII & SCHEDULE J	THE GOVERNING BOARD OF TRINITY MOTHER FRANCES HEALTH SYSTEM, UPON ADVICE FROM NATIONALLY RECOGNIZED COMPENSATION CONSULTANTS, WHO PERIODICALLY REVIEW ALL EXECUTIVE COMPENSATION, APPROVED A DEFERRED COMPENSATION PLAN THAT PROVIDES A 65% TOTAL RETIREMENT BENEFIT FOR SENIOR EXECUTIVES THAT SERVE 20 YEARS OR MORE THIS PROGRAM HAS BOTH RETENTION AND NON-COMPETITION CLAUSES THAT CREATE A RISK OF FORFEITURE DEFERRED COMPENSATION IS SUBJECT TO A RISK OF FORFEITURE BASED ON RETENTION, NON-COMPETITION AND OTHER CONTRACTUAL FACTORS ACCRUALS OF DEFERRED COMPENSATION ARE NOT INCLUDIBLE IN W-2 COMPENSATION UNTIL PAID OTHER EMPLOYEE BENEFITS INCLUDE QUALIFIED PENSION PLANS HEALTH, DENTAL AND LIFE INSURANCE PLANS, DISABILITY INSURANCE, ETC TAXABLE EXPENSES ARE INCLUDED IN THE W-2 PAID COMPENSATION SALARY AMOUNT
1099S REPORTED BY ORGANIZATION	FORM 990, PART V, QUESTION 1	NO 1099S WERE ISSUED BY THE FILING ORGANIZATION THE ORGANIZATION'S 1099S ARE ISSUED BY A RELATED ORGANIZATION, MOTHER FRANCES HOSPITAL REGIONAL HEALTH CARE CENTER, WHO REPORTS ALL 1099S FOR THE ENTIRE SYSTEM AND ALLOCATES EXPENSES TO THE APPROPRIATE RELATED ORGANIZATION, THEREFORE, THIS QUESTION IS ANSWERED AS "NONE" FOR THIS FILING ORGANIZATION
AMENDMENT OF 2010 FORM 990		AFTER FILING THE 2010 FORM 990, THE TAXPAYER DISCOVERED ERRORS IN THEIR COMPENSATION INFORMATION THE TAXPAYER IS AMENDING TO CORRECT THE COMPENSATION REPORTED ON THE FORM 990
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MATTHEW A VIERKANT MD TITLE DIRECTOR HOURS 30
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RAY THOMPSON TITLE SYS EXEC VP/CEO/DIRECTOR HOURS 42
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DICK STONE TITLE DIRECTOR HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME J LINDSEY BRADLEY, JR TITLE SYSTEM PRESIDENT/DIRECTOR HOURS 42
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAM VUKOVICH TITLE INTERIM CFO HOURS 42

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
MOTHER FRANCES HOSPITAL - JACKSONVILLE

Employer identification number
75-1976930

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) CHAMPION EMERGENCY SERVICES LLC 2201 S MOBBERLY AVE LONGVIEW, TX 75602 75-2747708	AMBULANCE SVC	TX	501(C)(3)	11A	NA		
(2) MOTHER FRANCES HOSP REGIONAL HC CENTER 1315 DOCTORS DRIVE TYLER, TX 75701 75-0818167	HOSPITAL	TX	501(C)(3)	3	NA		
(3) TRINITY MOTHER FRANCES HEALTH SYSTEM FDN 1315 DOCTORS DRIVE TYLER, TX 75701 75-2028241	SUPPORT	TX	501(C)(3)	11C	NA		
(4) REGIONAL MEDICAL SERVICES ASSOCIATION 1315 DOCTORS DRIVE TYLER, TX 75701 75-2511459	HEALTHCARE	TX	501(C)(3)	3	NA		
(5) TRINITY MOTHER FRANCES HEALTH SYSTEM 1315 DOCTORS DRIVE TYLER, TX 75701 75-2616975	HEALTHCARE	TX	501(C)(3)	11C	NA		
(6) TRINITY CLINIC 1315 DOCTORS DRIVE TYLER, TX 75701 75-2616977	HEALTHCARE	TX	501(C)(3)	3	NA		
(7) MOTHER FRANCES HOSPITAL - WINNSBORO 1315 DOCTORS DRIVE TYLER, TX 75701 75-2771569	HOSPITAL	TX	501(C)(3)	3	NA		

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
See Additional Data Table							

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

Yes

No

Yes

No

No

No

No

No

No

2

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 75-1976930

Name: MOTHER FRANCES HOSPITAL - JACKSONVILLE

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
CHAMPION EMERGENCY SERVICES LLC 2201 S MOBBERLY AVE LONGVIEW, TX75602 75-2747708	AMBULANCE SVC	TX	501(C)(3)	11A	NA		
MOTHER FRANCES HOSP REGIONAL HC CENTER 1315 DOCTORS DRIVE TYLER, TX75701 75-0818167	HOSPITAL	TX	501(C)(3)	3	NA		
TRINITY MOTHER FRANCES HEALTH SYSTEM FDN 1315 DOCTORS DRIVE TYLER, TX75701 75-2028241	SUPPORT	TX	501(C)(3)	11C	NA		
REGIONAL MEDICAL SERVICES ASSOCIATION 1315 DOCTORS DRIVE TYLER, TX75701 75-2511459	HEALTHCARE	TX	501(C)(3)	3	NA		
TRINITY MOTHER FRANCES HEALTH SYSTEM 1315 DOCTORS DRIVE TYLER, TX75701 75-2616975	HEALTHCARE	TX	501(C)(3)	11C	NA		
TRINITY CLINIC 1315 DOCTORS DRIVE TYLER, TX75701 75-2616977	HEALTHCARE	TX	501(C)(3)	3	NA		
MOTHER FRANCES HOSPITAL - WINNSBORO 1315 DOCTORS DRIVE TYLER, TX75701 75-2771569	HOSPITAL	TX	501(C)(3)	3	NA		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
TRI-STATE FINANCIAL LLC 1315 DOCTORS DRIVE TYLER, TX75701 75-2728318	COLLECTION AGENCY	TX	NA	C-CORPORATION	0	0	0 %
TRINCARE INC 1315 DOCTORS DRIVE TYLER, TX75701 75-2161369	RETAIL HEALTH SVC	TX	NA	C-CORPORATION	0	0	0 %
HEALTHPLAN OF TEXAS INC 514 S BECKHAM TYLER, TX75701 75-2636832	THIRD PARTY ADMIN	TX	NA	C-CORPORATION	0	0	0 %
REGIONAL HEALTHCARE ALLIANCE 1315 DOCTORS DRIVE TYLER, TX75701 75-2484109	PREFER PROVIDER	TX	NA	C-CORPORATION	0	0	0 %
TEXAS HEALTH FACILITIES INSUR CORP LTD PO BOX 1109 BWI GRAND CAYMAN CJ 98-0136025	INSURANCE	CJ	NA	C-CORPORATION	0	0	0 %
CONCORDIUM HEALTH LLC 1315 DOCTORS DRIVE TYLER, TX75701 70-2811022	INACTIVE	TX	NA	C-CORPORATION	0	0	0 %
EMPLOYER SERVICES INC 1315 DOCTORS DRIVE TYLER, TX75701 75-2602556	INACTIVE	TX	NA	C-CORPORATION	0	0	0 %
HERITAGE HEALTH PLANS OF TX 1315 DOCTORS DRIVE TYLER, TX75701 75-2622622	INACTIVE	TX	NA	C-CORPORATION	0	0	0 %
QUALITY CARE ALLIANCE 1315 DOCTORS DRIVE TYLER, TX75701 75-2662965	INACTIVE	TX	NA	C-CORPORATION	0	0	0 %

Trinity Mother Frances Health System and Subsidiaries

Accountants' Report and Consolidated Financial Statements

June 30, 2011 and 2010



**Trinity Mother Frances Health System
and Subsidiaries**
June 30, 2011 and 2011

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Independent Accountants' Report

Board of Governors
Trinity Mother Frances Health
System and Subsidiaries
Tyler, Texas

We have audited the accompanying consolidated balance sheets of Trinity Mother Frances Health System and Subsidiaries (the Health System) as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Health System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity Mother Frances Health System and Subsidiaries as of June 30, 2011 and 2010, and the results of its operation, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

September 28, 2011

Trinity Mother Frances Health System and Subsidiaries

Consolidated Balance Sheets

June 30, 2011 and 2010

Assets

	2011	2010
Current Assets		
Cash and cash equivalents	\$ 74,948,382	\$ 48,074,424
Short-term investments	8,019,446	7,811,549
Assets limited as to use, current	12,358,536	8,226,057
Patient accounts receivable, net of allowance, 2011 - \$89,612,000, 2010 - \$90,574,000	68,008,901	63,931,464
Collateral receivable	1,249,297	1,188,690
Estimated amounts due from third-party payers	-	1,746,029
Due from affiliates	3,431,315	2,971,207
Inventories	6,300,648	6,340,763
Prepaid expenses and other	5,354,929	6,085,529
Total current assets	179,671,454	146,375,712
Assets Limited As To Use		
Internally designated for capital acquisitions	32,093,392	29,419,426
Internally designated and held by trustee, supplemental retirement plan	1,622,700	6,864,110
Internally designated and held by trustee, self-insurance	17,455,852	16,057,542
Internally designated and held by trustee, deferred compensation plan	13,708,253	10,245,420
Held by trustee, under bond indenture agreement	30,164,042	31,976,152
Restricted by donor	18,079,397	-
	113,123,636	94,562,650
Less amount required to meet current obligations	12,358,536	8,226,057
Total assets limited as to use	100,765,100	86,336,593
Property and Equipment, At Cost		
Land and land improvements	36,380,414	33,959,796
Buildings and leasehold improvements	305,028,736	300,150,084
Equipment	254,089,834	295,472,429
Construction in progress	8,864,531	5,126,452
	604,363,515	634,708,761
Less accumulated depreciation	328,619,138	367,831,878
Total property and equipment, net	275,744,377	266,876,883
Other Assets		
Interest in net assets of Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	9,995,898	8,914,715
Other investments	57,627,963	54,794,542
Investments in affiliates	4,622,383	4,905,106
Interest rate swap agreement	158,821	161,874
Deferred financing costs and other	2,410,833	2,731,496
Total other assets	74,815,898	71,507,733
Total assets	\$ 630,996,829	\$ 571,096,921

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2011	2010
Current Liabilities		
Current maturities of long-term debt	\$ 9,095,758	\$ 8,751,104
Accounts payable	35,061,083	26,571,137
Accrued expenses	41,420,211	38,986,123
Estimated amounts due to third-party payers	8,637,205	-
Estimated self-insurance costs	6,345,338	6,080,693
Pension liability	892,603	6,784,749
Total current liabilities	101,452,198	87,173,806
Estimated Self-insurance Costs	8,357,980	8,209,739
Long-term Debt	177,993,910	187,180,332
Interest Rate Swap Agreement	3,174,162	4,973,401
Other Liabilities	10,506,206	9,434,125
Pension Liability	32,579,283	50,973,337
Total liabilities	334,063,739	347,944,740
Net Assets		
Unrestricted	268,857,795	214,217,388
Temporarily restricted	25,973,549	6,833,097
Permanently restricted	2,101,746	2,101,696
Total net assets	296,933,090	223,152,181
Total liabilities and net assets	\$ 630,996,829	\$ 571,096,921

Trinity Mother Frances Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	\$ 633,546,906	\$ 573,887,108
Other operating revenue	35,939,243	23,635,277
Equity in earnings of affiliate	3,929,700	5,429,724
Interest income	764,045	488,381
Total unrestricted revenues, gains and other support	674,179,894	603,440,490
Expenses		
Salaries and wages	194,175,062	180,544,611
Employee benefits	45,620,871	44,927,241
Purchased services and professional fees	187,327,087	160,596,172
Supplies and other	135,887,806	127,660,031
Depreciation and amortization	27,430,265	29,580,215
Interest	6,625,341	7,157,919
Provision for uncollectible accounts	46,378,966	35,073,585
Total expenses	643,445,398	585,539,774
Operating Income	30,734,496	17,900,716
Other Income (Expense)		
Investment return	9,184,644	6,574,203
Change in fair value of interest rate swap agreements	1,796,186	178,752
Contributions	(8,662,394)	(2,257,050)
Total other income (expense)	2,318,436	4,495,905
Excess of Revenues Over Expenses	<u><u>\$ 33,052,932</u></u>	<u><u>\$ 22,396,621</u></u>

Trinity Mother Frances Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (Continued) Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted Net Assets		
Excess of revenues over expenses	\$ 33,052,932	\$ 22,396,621
Loss from discontinued operations	-	(373,331)
Contribution of net assets of Winnsboro Hospital	-	6,208,719
Net assets released from restrictions	274,271	597,274
Change in pension liability	<u>21,313,204</u>	<u>(11,158,880)</u>
Increase in unrestricted net assets	<u>54,640,407</u>	<u>17,670,403</u>
Temporarily Restricted Net Assets		
Contributions received	18,208,232	597,274
Change in financial interest in Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	1,081,133	455,181
Investment return	125,358	-
Net assets released from restrictions	<u>(274,271)</u>	<u>(597,274)</u>
Increase in temporarily restricted net assets	<u>19,140,452</u>	<u>455,181</u>
Permanently Restricted Net Assets		
Change in financial interest in Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	<u>50</u>	<u>1,790,793</u>
Increase in permanently restricted net assets	<u>50</u>	<u>1,790,793</u>
Change in Net Assets	73,780,909	19,916,377
Net Assets, Beginning of Year	<u>223,152,181</u>	<u>203,235,804</u>
Net Assets, End of Year	<u><u>\$ 296,933,090</u></u>	<u><u>\$ 223,152,181</u></u>

Trinity Mother Frances Health System and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended June 30, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	\$ 73,780,909	\$ 19,916,377
Items not requiring (providing) operating cash flow		
(Gain) loss on sale of property and equipment	(32,913)	59,589
Depreciation and amortization	27,430,265	29,580,215
Net gain on investments	(6,518,088)	(3,495,905)
Change in fair value of interest rate swap agreements	(1,796,186)	(178,752)
Change in interest in net assets of Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	(1,081,183)	(2,245,974)
Change in pension liability	(24,286,200)	6,028,008
Provision for uncollectible accounts	46,378,966	35,073,585
Contributions for property and equipment	(18,208,232)	-
Contribution of net assets of Winnsboro Hospital	-	(6,208,719)
Accrued self-insurance costs	412,886	68,988
Changes in		
Patient accounts receivable, net	(50,456,403)	(39,068,957)
Estimated amounts due from and to third-party payers	10,383,234	(4,095,701)
Accounts payable and accrued expenses	11,996,115	5,150,731
Other current assets and liabilities	(350,175)	(1,639,399)
Net cash provided by operating activities	<u>67,652,995</u>	<u>38,944,086</u>
Investing Activities		
Purchase of property and equipment	(35,915,118)	(30,043,888)
Proceeds from sale of property and equipment	32,913	330,747
Purchase of investments	(103,533,500)	(53,791,426)
Proceeds from disposition of investments	<u>89,359,578</u>	<u>45,890,922</u>
Net cash used in investing activities	<u>(50,056,127)</u>	<u>(37,613,645)</u>
Financing Activities		
Payment of deferred financing costs	-	35,163
Contributions for property and equipment	18,208,232	-
Proceeds from issuance of long-term debt	-	5,925,000
Principal payments on long-term debt	<u>(8,931,142)</u>	<u>(8,645,208)</u>
Net cash provided by (used in) financing activities	<u>9,277,090</u>	<u>(2,685,045)</u>
Increase (Decrease) in Cash and Cash Equivalents	26,873,958	(1,354,604)
Cash and Cash Equivalents, Beginning of Year	<u>48,074,424</u>	<u>49,429,028</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 74,948,382</u></u>	<u><u>\$ 48,074,424</u></u>
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	\$ 6,784,403	\$ 7,304,671

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The consolidated financial statements of Trinity Mother Frances Health System and Subsidiaries (the Health System) include the accounts of Trinity Mother Frances Health System (the System) and its wholly owned subsidiaries. Entities included in the consolidated financial statements of the Health System are:

- Mother Frances Hospital Regional Health Care Center and Subsidiaries (the Consolidated Hospital Group)
- Trinity Clinic (the Clinic)
- Mother Frances Hospital - Jacksonville (Jacksonville)
- Mother Frances Hospital - Winnsboro (Winnsboro)
- Mother Frances Hospital - Corsicana (Corsicana)
- The Regional Healthcare Alliance (TRHA)
- Tri-State Financial, L L C (Tri-State)
- TrinCare, Inc (TCI)
- HealthPlan of Texas, Inc (HOT)

The sole member organization of the System is the Congregation of the Sisters of the Holy Family of Nazareth, a religious order of the Roman Catholic Church.

Mother Frances Hospital Regional Health Care Center (the Hospital) is an acute care facility whose operations consist primarily of inpatient and outpatient acute care medical services to residents of Tyler, Texas, and surrounding areas. Wholly owned subsidiaries included in the consolidated financial statements of the Consolidated Hospital Group include Texas Health Facility Insurance Corporation, Ltd (THFIC), and Regional Medical Services Association (RMSA). THFIC is a captive insurance company incorporated in the Cayman Islands for the purpose of providing primary excess professional liability coverage for the Hospital, which is then ceded to a reinsurance company. RMSA is a nonprofit corporation that recruits and employs physicians to serve the Hospital.

The Hospital also owns approximately 50% of HealthSouth Rehabilitation Hospital - Tyler d/b/a/ Trinity Mother Frances Rehabilitation Hospital (HealthSouth). Because the Hospital does not exercise control of HealthSouth, this investment is accounted for using the equity method of accounting.

The Hospital also owns a 51% interest in Tyler Radiation Equipment Leasing, LLC (TREL), which is also accounted for using the equity method of accounting due to a lack of Hospital control.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

The Clinic, a nonprofit corporation, is a multi-specialty physician group organized to own and operate outpatient medical clinics serving residents of Tyler, Texas, and surrounding areas

Jacksonville is a tax-exempt critical access hospital providing services to residents in and around Jacksonville, Texas. As a critical access hospital, Jacksonville's acute length of stay may not exceed 96 hours and its total acute-care beds cannot exceed 25

Winnsboro is a tax-exempt acute care hospital providing inpatient and outpatient medical and psychiatric services to residences in and around Winnsboro, Texas. In 2011, Winnsboro was designated as a critical access hospital. The Health System became the sole member of Winnsboro on March 1, 2010. The Health System accounted for its acquisition of Winnsboro in a manner similar to a pooling of interests. As such, the Health System recognized an increase in net assets of \$6,208,719 during 2010 due to its assumption of control. The prior owner of Winnsboro retained all cash and accounts receivable of the entity, as well as most liabilities. No cash or other consideration was paid by the Health System.

Corsicana is a nonprofit corporation organized with the intent of operating an acute care hospital providing services to residents in and around Corsicana, Texas. During 2007, the Health System ceased planning for operations in Corsicana.

TRHA, a nonprofit, taxable corporation, is a preferred provider organization. The System appoints the governing body of TRHA.

Tri-State is a taxable limited liability company organized to serve as a collection agency for health care providers. Tri-State is wholly owned by the System. Tri-State is a dormant company as operations ceased in February 2001.

TCI is a taxable corporation organized to provide various clinical and management services. TCI is wholly owned by the System. TCI currently operates a reference laboratory which began operations during 2010, and two optical shops which began operations in 2011.

HOT is a taxable, for-profit corporation organized primarily to create new health care resources and health care arrangements to be offered to the general public and third-party payers. HOT was originally licensed to operate as a health maintenance organization in Texas in accordance with Article 20A of the Texas Insurance Code, but was re-licensed as a third-party administrator in December 2005. HOT is wholly owned by the System.

The System holds a nonvoting membership interest in ContinueCARE Hospital of Tyler, Inc (CCHT), a long-term acute care hospital. In accordance with the terms of the membership agreement, 80% of annual cash dividends from CCHT are distributed to the System. During 2011 and 2010, CCHT distributed approximately \$1,610,000 and \$4,761,000, respectively, in cash dividends under this arrangement, which are recognized as other operating revenues by the System.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

The Health System owns a 50% interest in Champion EMS, a joint venture with an unrelated medical center to provide ambulance services in Northeast Texas. This investment is accounted for under the equity method of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the System, the Consolidated Hospital Group, the Clinic, Jacksonville, Winnsboro, Corsicana, TRHA, Tri-State, TCI and HOT. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Health System considers all liquid investments with maturities of three months or less to be cash equivalents. At June 30, 2011 and 2010, cash equivalents consisted primarily of money market accounts with brokers.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments, other than those previously disclosed as accounted for using the equity method of accounting, are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value, if determinable.

The Health System also invests in alternative investments, including hedge funds. Fair value of these investments are estimated using the net asset value per share of the investment based on information provided by the investment managers.

Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments stated at fair value, and realized gains and losses on other investments. Investment return is reflected in the consolidated statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Assets Limited As To Use

Assets limited as to use include (1) assets held by trustees under bond indenture and escrow agreements, (2) assets set aside by the Board of Governors (the Board) and held by trustees under self-insurance, deferred compensation and supplemental retirement plan trust agreements, (3) assets set aside by the Board for future capital improvements over which the Board retains control and may, at its discretion, subsequently use for other purposes and (4) assets restricted by donors for specific purposes. Amounts required to meet current liabilities of the Health System are included in current assets.

Patient Accounts Receivable

Patient accounts receivable are stated at net realizable amounts from third-party payers, patients and others. The Hospital, the Clinic, Jacksonville and Winnsboro provide an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, third-party payers are billed directly and bills are sent to the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

Inventories

The Health System states inventories at the lower of cost, determined using the first-in, first-out method or market.

Property and Equipment

Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

The Health System capitalizes interest costs as a component of construction in progress, first based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing and then based on the weighted-average interest expense incurred on other funds expended for the project

Total interest capitalized and incurred is shown in the table as follows

	2011	2010
Total interest expense incurred and capitalized on borrowings for project	\$ 490,606	\$ 659,346
Total interest capitalized under the weighted-average method	282,679	89,624
Interest income from investment of proceeds of borrowings for project	(122,600)	(338,401)
Net interest cost capitalized	<u>\$ 650,685</u>	<u>\$ 410,569</u>
Interest expense capitalized	\$ 773,285	\$ 748,970
Interest charged to expense	<u>6,625,341</u>	<u>7,157,919</u>
Total interest incurred	<u>\$ 7,398,626</u>	<u>\$ 7,906,889</u>

Long-lived Asset Impairment

The Health System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2011 and 2010.

Interest in Net Assets of Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy (the Foundation)

The Foundation and the Health System are financially interrelated organizations. The Foundation seeks private support for and holds net assets on behalf of the Health System. The Health System accounts for its interest in the net assets of the Foundation (Interest) in a manner similar to the equity method. Changes in the Interest are included in change in net assets. Transfers of assets between the Foundation and the Health System are recognized as increases or decreases in the Interest.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized using the interest method.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Health System has been limited by donors to a specific time period or purpose. The interest in the net assets of the Foundation includes permanently restricted net assets, which have been restricted by donors at the Foundation to be maintained in perpetuity.

Net Patient Service Revenue

The Hospital, the Clinic, Jacksonville and Winnsboro have agreements with third-party payers that provide for payments to the entities at amounts different from their established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The Hospital, the Clinic, Jacksonville and Winnsboro provide care without charge or at amounts less than established rates to patients meeting certain criteria under their charity care policies. Because the Health System does not pursue collection of amounts determined to qualify as charity care, those amounts are not reported as net patient service revenue.

Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Estimated Malpractice Costs

An annual estimated provision is accrued for the self-insured portion of medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported

Income from Operations

The Health System considers investment income from assets held by trustee under bond indenture agreements and trust accounts established to fund physician-deferred compensation agreements as operating income. In addition, the Health System considers earnings from its investment in HealthSouth as operating income and considers donations to community service organizations as non-operating expense. All other investment return is included in non-operating income.

Income Taxes

The System, the Hospital, RMSA, the Clinic, Jacksonville, Winnsboro and Corsicana have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, these entities are subject to federal income tax on any unrelated business taxable income.

THFIC is not considered to be engaged in a United States trade or business and, therefore, is not subject to United States income taxes. If THFIC were to be considered engaged in a United States trade or business, it could be subject to federal income tax. THFIC is currently exempt from income taxes in the Cayman Islands. Accordingly, no provision for taxes has been made.

With a few exceptions, the Health System is no longer subject to U.S. federal examinations by tax authorities for years before 2008.

Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include certain changes in defined benefit pension liabilities, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets with no donor restrictions (including assets acquired using contributions, which, by donor restriction, were to be used for the purpose of acquiring such assets). Contributions of long-lived assets with donor-imposed restrictions that were not met in the same year are included in the change in temporarily restricted net assets.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date

Reclassifications

Certain reclassifications have been made to the 2010 consolidated financial statements to conform to the 2011 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Net Patient Service Revenue

The Hospital, the Clinic, Jacksonville and Winnsboro have agreements with third-party payers that provide for payments at amounts different from its established rates. These payment arrangements include:

Medicare

Inpatient and substantially all outpatient services rendered to Medicare program beneficiaries of the Hospital are paid at prospectively determined rates per discharge or occasion of service. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports, which are subject to audits by the Medicare administrative contractor.

Jacksonville and Winnsboro have been classified as critical access hospitals (CAH) by the Medicare program. As a CAH, payments for inpatient and outpatient services are made based on the reasonable costs of providing care to Medicare program beneficiaries. CAH status places certain operating constraints on Jacksonville and Winnsboro, including limitations on patient census and average length of stay.

Services to Medicare beneficiaries provided by the Clinic are primarily reimbursed under a fee schedule methodology.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a mixture of prospective and cost-based methodologies. Outpatient and physician services are reimbursed under a mixture of cost reimbursement and fee schedule methods. The Hospital, Jacksonville and Winnsboro are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports, which are subject to audits by the Medicaid administrative contractor.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Approximately 43% and 45% of net patient service revenue was from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2011 and 2010, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Health System participates in the State of Texas' Disproportionate Share Program (Dispro) and private Upper Payment Limit (UPL) programs. Under the private UPL program, various governmental agencies make intergovernmental transfers (IGT) on behalf of the Health System. These transfers are used by the state of Texas Medicaid program to draw down federal funding for the Medical Center based on its UPL gap, which is approximately equal to the difference in what Medicare would have paid for the Health System's Medicaid charges and what Medicaid actually paid. The state generally remits these amounts to the Medical Center on a quarterly basis. Total UPL and Dispro funds received during the years ending June 30, 2011 and 2010 were approximately \$21,942,000 and \$10,098,000 respectively. Recent changes in the Texas Medicaid program will alter the manner in which UPL payments are made, and it is reasonably possible the Health System's payments may be reduced by a material amount in future years.

The Hospital, the Clinic, Jacksonville and Winnsboro have also entered into payment agreements with certain commercial insurance carriers and other plans, which provide for payments at discounted rates, per-diem amounts or predetermined amounts per case or encounter.

Net patient service revenue from continuing operations is comprised of the following:

	<u>2011</u>	<u>2010</u>
Gross patient service revenue	\$ 2,628,416,998	\$ 2,257,850,797
Contractual adjustments	(1,894,292,250)	(1,591,863,975)
Charity care	<u>(100,577,842)</u>	<u>(92,099,714)</u>
Net patient service revenue	<u>\$ 633,546,906</u>	<u>\$ 573,887,108</u>

The provision for uncollectible accounts as reflected in the consolidated statements of operations and changes in net assets reflects charges due from uninsured and underinsured patients that were deemed uncollectible. The related expense recognized in the consolidated statements of operations and changes in net assets is approximately \$46,379,000 and \$35,074,000 in 2011 and 2010, respectively. The Hospital, Jacksonville and Winnsboro have programs whereby uninsured patients are given an automatic discount on their gross charges of approximately 30%. Charges reduced under this program are not reflected in net patient service revenue.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Note 3: Concentration of Credit Risk

Accounts Receivable

The Health System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at June 30, 2011 and 2010, is shown below.

	<u>2011</u>	<u>2010</u>
Medicare	35 %	39 %
Medicaid	6	7
Other third-party payers	54	49
Patients	<u>5</u>	<u>5</u>
	<u>100 %</u>	<u>100 %</u>

Deposits

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At June 30, 2011, the Health System's cash accounts exceeded federally insured limits by approximately \$868,000. The Health System's cash includes approximately \$67,000,000 in repurchase agreements that are swept from the Health System's operating cash account each night.

The financial institution holding the Health System's cash accounts is participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Note 4: Investments

Assets limited as to use include

	2011	2010
Internally designated for capital acquisitions		
Cash and cash equivalents	\$ 3,554,991	\$ 4,051,986
Money market mutual funds	493,735	482,165
U S equity mutual funds	774,982	-
U S Treasury obligations	1,416,115	-
U S Agency obligations	103,092	3,311,707
Equity securities		
Financials	3,513,389	2,943,493
Technology	2,972,727	2,490,530
Industrial and material	5,806,118	4,864,325
Consumer products	5,107,831	4,279,305
Energy and utilities	4,958,530	4,154,221
Other sectors	3,391,882	2,841,695
	<u>\$ 32,093,392</u>	<u>\$ 29,419,426</u>
Internally designated and held by trustee, supplemental retirement plan		
Cash and cash equivalents	\$ 7,914	\$ 21,499
Money market mutual funds	10,561	2,184,478
U S Treasury obligations	102,679	1,085,354
U S Agency obligations	400,974	3,185,875
Fixed income mutual funds	1,095,898	351,669
Interest receivable	4,674	35,235
	<u>\$ 1,622,700</u>	<u>\$ 6,864,110</u>

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

	2011	2010
Internally designated and held by trustee.		
self insurance		
Money market mutual funds	\$ 1,143,101	\$ 659,449
U S Treasury obligations	4,662,025	4,670,990
U S Agency obligations	2,231,031	2,208,813
Equity securities		
Financials	581,611	470,687
Technology	492,109	398,255
Industrial and materials	961,152	777,843
Consumer products	845,556	684,293
Energy and utilities	820,841	664,292
Other sectors	561,496	454,409
Corporate bonds	5,045,428	4,940,027
Interest receivable	111,502	128,483
	<u>\$ 17,455,852</u>	<u>\$ 16,057,542</u>
Internally designated and held by trustee.		
deferred compensation plan		
Mutual Funds		
Balanced	\$ 6,282,190	\$ 4,695,251
U S equity	1,745,233	1,304,371
International equity	1,926,057	1,439,517
Fixed income	3,754,773	2,806,282
	<u>\$ 13,708,253</u>	<u>\$ 10,245,421</u>
Held by trustee, under bond indenture		
agreement		
Money market mutual funds	21,104,176	23,155,648
Repurchase agreement	9,059,866	8,820,504
	<u>\$ 30,164,042</u>	<u>\$ 31,976,152</u>
Restricted by donor		
Cash and cash equivalents	\$ 3,921,520	\$ -
Money market mutual funds	281,984	-
U S Treasury obligations	9,543,749	-
U S Agency obligations	568,416	-
Corporate bonds	3,642,422	-
Interest receivable	121,306	-
	<u>\$ 18,079,397</u>	<u>\$ -</u>

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Other Investments

Other investments include

	2011	2010
Certificate of deposit	\$ -	\$ 392,684
Money market mutual funds	3,401,712	2,850,456
U S Treasury obligations	30,221,221	8,658,421
U S Agency obligations	12,720,102	33,902,262
Corporate bonds	10,703,309	9,312,448
Hedge fund	4,930,125	4,501,484
Equity securities		
Financials	335,323	324,805
Technology	283,722	274,822
Industrial and materials	554,145	536,763
Consumer products	487,500	472,209
Energy and utilities	473,250	458,405
Other sectors	323,726	313,572
International equity mutual funds	727,940	121,996
Interest receivable	485,334	485,764
	65,647,409	62,606,091
Less current portion	8,019,446	7,811,549
	<u>\$ 57,627,963</u>	<u>\$ 54,794,542</u>

Alternative Investments

Alternative investments include an investment in a single hedge fund structured as a limited liability partnership. The fair value of the hedge fund has been estimated using the net asset value per share of the investment. This fund's objective is to preserve capital and generate consistent long-term appreciation and returns across all market cycles. This fund invests across a broad range of asset classes and strategies. Fund redemptions can generally be requested quarterly. If redemption requests exceed 10% of the total fund assets, then redemptions are made on a pro rata basis. Full redemptions are subject to a 5% hold-back pending completion of the fund's annual audit. The Health System does not have any unfulfilled commitments related to this fund. The value of this fund at June 30, 2011 and 2010 was \$4,930,125 and \$4,501,484, respectively.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

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Investments in Affiliates

Investments in affiliates includes a 50% interest in Champion EMS and HealthSouth and a 51% interest in TREL, which are investments accounted for under the equity method of accounting. The balance of the investments in affiliates was \$4,622,383 and \$4,905,106 at June 30, 2011 and 2010, respectively.

Total investment return is comprised of the following

	2011	2010
Interest and dividend income	\$ 3,555,959	\$ 3,566,679
Net realized gains	1,902,253	135,002
Net unrealized gains	4,615,835	3,360,903
	<u>\$ 10,074,047</u>	<u>\$ 7,062,584</u>

Total investment return is reflected in the consolidated statements of operations and changes in net assets as follows

	2011	2010
Unrestricted net assets		
Operating income	\$ 764,045	\$ 488,381
Other non-operating income	9,184,644	6,574,203
Temporarily restricted net assets	125,358	-
	<u>\$ 10,074,047</u>	<u>\$ 7,062,584</u>

Note 5: Interest in Net Assets of Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy

The Foundation was established to solicit contributions principally to support the operations of the Health System. Funds are distributed to the Health System as determined by the Foundation's Board. The Health System's interest in the net assets of the Foundation is reported in the consolidated balance sheets and was \$9,995,898 and \$8,914,715 at June 30, 2011 and 2010, respectively.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

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Note 6: Risk Management

The Health System is self-insured for the first \$3,000,000 of each medical malpractice claim. The Health System purchases commercial insurance coverage above the self-insurance limits. Losses from asserted and unasserted claims identified under the Health System's incident reporting system are accrued based on estimates that incorporate the Health System's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. Accrued malpractice losses have been estimated by professional insurance consultants.

The Health System is also self-insured for employee health care and workers' compensation claims. A reserve has been established for unpaid claims, and claims incurred but not received, and is reflected in estimated self-insurance costs in the consolidated balance sheets.

A provision is accrued for self-insured claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Health System's estimate will change by a material amount in the near term.

Activity in the Health System's accrued liabilities during 2011 is summarized as follows:

	Professional Liability	Employee Health	Workers' Compensation
Balance, beginning of year	\$ 10,006,942	\$ 3,622,503	\$ 660,987
Current year claims incurred and changes in estimates for claims incurred in prior years	1,875,268	19,083,693	1,664,744
Claims and expenses paid	<u>(1,453,110)</u>	<u>(19,556,153)</u>	<u>(1,201,556)</u>
Balance, end of year	<u><u>\$ 10,429,100</u></u>	<u><u>\$ 3,150,043</u></u>	<u><u>\$ 1,124,175</u></u>

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Activity in the Health System's accrued liabilities during 2010 is summarized as follows

	Professional Liability	Employee Health	Workers' Compensation
Balance, beginning of year	\$ 10,166,033	\$ 3,248,096	\$ 807,315
Current year claims incurred and changes in estimates for claims incurred in prior years	1,644,250	20,690,591	763,665
Claims and expenses paid	<u>(1,803,341)</u>	<u>(20,316,184)</u>	<u>(909,993)</u>
Balance, end of year	<u>\$ 10,006,942</u>	<u>\$ 3,622,503</u>	<u>\$ 660,987</u>

Note 7: Long-term Debt

	2011	2010
Revenue bonds, Series 2007A (A)	\$ 65,050,000	\$ 65,225,000
Revenue bonds, Series 2007B (B)	23,000,000	23,000,000
Revenue bonds, Series 2003 (C)	13,765,000	17,905,000
Revenue bonds, Series 1997B (D)	40,000,000	40,000,000
Revenue bonds, Series 1992 (E)	25,095,000	26,450,000
Note payable, bank (F)	9,360,898	9,669,257
Note payable, bank (G)	2,385,792	3,585,792
Note payable, bank (H)	1,646,021	2,846,021
Note payable, bank (I)	5,021,642	5,285,531
Other notes payable	<u>887,832</u>	<u>997,977</u>
	186,212,185	194,964,578
Net bond premium	<u>877,483</u>	<u>966,858</u>
	187,089,668	195,931,436
Less current maturities	<u>9,095,758</u>	<u>8,751,104</u>
	<u>\$ 177,993,910</u>	<u>\$ 187,180,332</u>

- (A) Series 2007A Tyler Health Facilities Development Corporation Hospital Revenue Refunding Bonds (the 2007A Bonds) in the original amount of \$65,550,000 with a premium of \$1,239,990 dated May 16, 2007, interest ranging from 4.25% to 5.25%. The 2007A Bonds are payable in annual installments through July 1, 2033. All of the 2007A Bonds still outstanding may be redeemed at the Hospital's option on or after July 1, 2017, at face value.

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The Tyler Health Facilities Development Corporation (the Corporation) issued the 2007A Bonds on behalf of the Hospital. The 2007A Bonds are secured by a pledge of the Hospital's revenues, the reserve funds established with the bond trustee pursuant to the loan agreement and bond indenture, and a mortgage lien on the land and buildings constituting the main campus of the Hospital. The 2007A Bonds have not been guaranteed by the Corporation. The 2007A Bonds were issued to advance refund \$20,000,000 of outstanding 2003 Bonds and all of the outstanding 2001 Bonds, which totaled \$40,000,000 at the time of the advance refunding.

- (B) Series 2007B Tyler Health Facilities Development Corporation Hospital Revenue Refunding Bonds (the 2007B Bonds) in the original amount of \$23,000,000 with a premium of \$53,130 dated May 16, 2007, bearing interest at 5%. The 2007B Bonds are payable in annual installments from 2035 to 2038. All of the 2007B Bonds still outstanding may be redeemed at the Hospital's option on or after July 1, 2017, at face value.

The Corporation issued the 2007B Bonds on behalf of the Hospital. The 2007B Bonds are secured by a pledge of the Hospital's revenues, the reserve funds established with the bond trustee pursuant to the loan agreement and bond indenture, and a mortgage lien on the land and buildings constituting the main campus of the Hospital. The 2007B Bonds have not been guaranteed by the Corporation.

- (C) Series 2003 Tyler Health Facilities Development Corporation Hospital Revenue Bonds (the 2003 Bonds) in the original amount of \$59,550,000 with a premium of \$1,203,954 dated May 8, 2003, interest ranging from 2% to 5.75%. The 2003 Bonds are payable in annual installments through July 1, 2033. All of the 2003 Bonds still outstanding may be redeemed at the Hospital's option on or after July 1, 2013, at face value.

The Corporation issued the 2003 Bonds on behalf of the Hospital. The 2003 Bonds are secured by a pledge of the Hospital's revenues, the reserve funds established with the bond trustee pursuant to the loan agreement and bond indenture, and a mortgage lien on the land and buildings constituting the main campus of the Hospital. The 2003 Bonds have not been guaranteed by the Corporation. As mentioned previously, \$20,000,000 of the outstanding 2003 Bonds were advanced refunded through the issuance of the 2007A Bonds.

- (D) Series 1997B Tyler Health Facilities Development Corporation Hospital Revenue Bonds (the 1997B Bonds) in the original amount of \$40,000,000 dated December 29, 1997, which bear interest at a variable rate (currently 0.3%), not to exceed 12%. The Hospital may select a fixed interest rate mode for all or any portion of the bonds. The 1997B Bonds are due July 1, 2020, with mandatory annual principal redemptions required between fiscal years 2015 and 2021. All of the 1997B Bonds still outstanding may be redeemed at the Hospital's option prior to their stated maturity at face value.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

The Corporation issued the 1997B Bonds on behalf of the Hospital. The 1997B Bonds are secured by a pledge of the Hospital's revenues, the reserve funds established with the bond trustee pursuant to the loan agreement and bond indenture, and a letter of credit established with a bank. The 1997B Bonds have not been guaranteed by the Corporation.

The Hospital had a letter of credit (LOC) which expired on September 29, 2010. As of June 30, 2010, no amounts were outstanding under this LOC. The Hospital entered into a new LOC with an effective date of September 29, 2010, and an expiration date of January 1, 2014. Any advances under this LOC are due in equal installments over a three year period, which begins the 367th day immediately succeeding the date of the advance. Any remaining principal balance would be due on the expiration date.

- (E) Series 1992 Tyler Health Facilities Development Corporation Hospital Revenue Bonds (the 1992 Bonds) in the original amount of \$45,000,000 dated April 15, 1992, bearing interest at rates ranging from 6 1/2% to 6 5/8%. The 1992 Bonds are due in varying amounts including mandatory sinking fund payments through July 1, 2022.

In 2003, \$4,140,000 of the 1992 Bonds outstanding were redeemed and the remaining \$33,620,000 of the 1992 Bonds outstanding were tendered as part of a total return swap transaction (See *Note 8*).

The Corporation issued the 1992 Bonds on behalf of the Hospital. The 1992 Bonds are secured by a pledge of the Hospital's revenues, the reserve funds established with the bond trustee pursuant to the loan agreement and bond indenture, and an irrevocable policy of municipal bond insurance issued by Financial Guaranty Insurance Company, which unconditionally guarantees the payment of principal and interest. The 1992 Bonds have not been guaranteed by the Corporation.

- (F) Note payable to bank for the System, originally due in equal monthly installments of \$67,864, including interest at 5 1/2%, from May 1, 2009 through March 1, 2014, with a lump-sum payment of \$8,467,286 representing the entire balance of principal and unpaid interest shall be due on April 1, 2014. The note was modified at March 2, 2011. The new terms require payment of equal monthly installments of \$67,855 including interest at 5 1/4% from April 1, 2011 through April 1, 2029. Any outstanding principal balance and accrued interest is due in full on April 1, 2029. The note is secured by certain Hospital property and equipment.
- (G) Note payable to bank for the Clinic, due in equal monthly installments of \$100,000 plus interest at varying rates of LIBOR plus 0.85% (currently 1.04%). Any outstanding principal balance and accrued interest is due in full at maturity on October 1, 2013. The note is secured by certain equipment.

Trinity Mother Frances Health System and Subsidiaries

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- (H) Note payable to bank for the Clinic, due in equal monthly installments of \$100,000 plus interest at varying rates of LIBOR plus 0.85%, (currently 1.04%) Any outstanding principal balance and accrued interest is due in full at maturity on August 1, 2013. The note is secured by certain equipment.
- (I) Tax exempt note payable to bank for the System, due in equal monthly installments of \$43,471, including interest at 4.99%, from October 30, 2009 through September 30, 2014, with a lump-sum payment of \$4,110,804, representing the entire balance of principal and unpaid interest, due on September 30, 2014.

The indenture and loan agreements require that certain funds be established with a trustee. Accordingly, these funds are included as assets limited as to use and held by trustee in the consolidated balance sheets. The agreements also require the Hospital to comply with certain restrictive covenants, including minimum insurance coverage, maintaining a historical debt-service coverage ratio of at least 1.20, and restrictions on the incurrence of additional debt and disposition of assets.

Should the Health System be required to utilize the LOC to fund non-remarketed 1997B Bonds, the potential maturities and sinking fund requirements would be different than scheduled maturities. The following table compares the potentially accelerated maturities and scheduled maturities of the Health System's long-term debt.

	Accelerated Maturities	Scheduled Maturities
2012	\$ 9,095,758	\$ 9,095,758
2013	22,034,696	8,701,363
2014	20,792,825	7,459,492
2015	19,944,182	11,510,848
2016	2,594,113	7,694,113
Thereafter	<u>111,750,611</u>	<u>141,750,611</u>
	<u><u>\$ 186,212,185</u></u>	<u><u>\$ 186,212,185</u></u>

Trinity Mother Frances Health System and Subsidiaries

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Note 8: Derivative Financial Instruments

In 2008 as a strategy to take advantage of the lower variable interest rates available in the market and to more closely correlate its fixed and variable rate debt to its fixed and variable rate investments, the Hospital entered into a total return swap agreement for its fixed rate debt related to the 1992 Bonds issue (the Total Return Swap). The Total Return Swap agreement included two components, the first of which provides for the Hospital to receive interest from the counterparty of between 6% and 6 1/4% on an amortizing notional amount of \$31,430,000 and to pay interest to the counterparty at a floating rate tied to the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). The terms of the agreement have undergone several revisions. The most recent revision on April 15, 2011 changed the amount paid by the Hospital to SIFMA, plus between 65 and 200 basis points depending on the Hospital's bond rating on an amortizing notional amount of \$25,095,000. As of June 30, 2011, the amount paid by the Hospital is SIFMA plus 200 basis points. The maturity date is April 15, 2014. The agreement contains an early termination option. Under the agreements, the Hospital pays or receives the net interest amount monthly, with the monthly settlements included in interest expense in the consolidated statements of operations and changes in net assets.

The Total Return Swap also includes a total return component. The terms of this component were not changed as a result of the various amendments. As the 1992 Bonds are paid, and upon the termination of the agreement for any 1992 Bonds still outstanding, the Hospital will pay the counterparty the difference in the fair value of the bonds and 100% of par, if fair value is less than par. If fair value exceeds the par amount of the applicable bonds, the counterparty will pay the Hospital 85% of the difference.

The Hospital has elected not to apply hedge accounting treatment to the Total Return Swap. Therefore, the change in the fair value of the swap agreement is recognized as a gain or loss in the consolidated statements of operations and changes in net assets, as a component of excess of revenues over expenses. The Total Return Swap requires collateral posting if it has a negative value. No collateral was required to be posted as of June 30, 2011 and 2010. At June 30, 2011 and 2010, the amount of collateral posted in previous periods that was recoverable by the Hospital was \$1,249,297 and \$1,188,690, respectively.

As a strategy to lower the overall interest expense incurred on its existing long-term debt, the Hospital entered into a non-amortizing basis swap during 2007 (the Basis Swap). The Basis Swap agreement provides for the Hospital to receive interest from the counterparty of 67% of LIBOR, plus 0.274% on a notional amount of \$75,000,000 and to pay interest to the counterparty at a floating rate tied to SIFMA. Under the Basis Swap agreement, the Hospital pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

The Basis Swap does not qualify for hedge accounting treatment. Therefore, the change in the fair value of the swap is recognized as a gain or loss in the consolidated statements of operations and changes in net assets, as a component of excess of revenues over expenses.

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The agreement terminates on June 7, 2027, but can be terminated by the Hospital on any business day provided that the Hospital has given prior written notice of at least five days to the counterparty

The Basis Swap requires the Hospital to post collateral to the extent the swap liability exceeds \$5,000,000

The table below presents certain information regarding the Hospital's interest rate swap agreements

	2011	2010
Fair value of Total Return Swap included as a component of other long-term assets on the consolidated balance sheets	\$ 158,821	\$ 161,874
Fair value of Basis Swap included as a component of other long-term liabilities on the consolidated balance sheets	(3,174,162)	(4,973,401)
Net gain recognized in excess of revenues over expenses as a component of other non-operating income (expense)	1,796,186	178,752

Note 9: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	2011	2010
Interest in the net assets of the Foundation	\$ 7,894,152	\$ 6,813,019
Construction of heart hospital	18,079,397	-
Other programs	-	20,078
	<u>\$ 25,973,549</u>	<u>\$ 6,833,097</u>

During 2011, the Health System received a donation of approximately \$18,000,000 restricted for construction of a heart hospital on the Hospital's main campus. Construction on the heart hospital commenced in 2011 and the project is expected to be completed in 2012.

During 2011 and 2010, net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes in the amounts of \$274,271 and \$597,274, respectively.

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Permanently restricted net assets are comprised of the Health System's interest in the permanently restricted net assets of the Foundation and amounted to \$2,101,746 and \$2,101,696 at June 30, 2011 and 2010, respectively.

Note 10: Charity Care

In support of its mission, the Health System voluntarily provides care without charge or at amounts less than its established charges to patients meeting certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to be charity care, such amounts are not reported as net patient service revenue.

In addition, the Health System provides services to other medically indigent patients under certain government-reimbursed public aid programs. Such programs pay providers amounts which are less than established charges for the services provided to the recipients, and many times the payments are less than the cost of rendering the services provided.

Uncompensated charges relating to these services are as follows:

	2011	2010
Charity allowances	\$ 100,578,128	\$ 76,663,000
State Medicaid program	167,753,000	128,482,000
	<u>\$ 268,331,128</u>	<u>\$ 205,145,000</u>

In addition to uncompensated charges, the Health System also commits significant time and resources to endeavors and critical services, which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include:

- Health screening and assessments
- Community education activities
- Pediatric center to provide immunizations and support a child abuse intervention program
- Women's center to provide prenatal and postnatal care, along with bilingual parenting education
- Various support groups

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

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Note 11: Functional Expenses

The Health System provides health care services primarily to residents within its geographic area. Expenses related to providing these services are as follows:

	2011	2010
Health care services	\$ 522,128,077	\$ 473,710,995
General and administrative	121,317,321	111,828,779
	<u>\$ 643,445,398</u>	<u>\$ 585,539,774</u>

Note 12: Pension and Other Post-Retirement Benefit Obligations

Defined Contribution Pension Plans

The System has two defined contribution pension plans that cover substantially all full-time employees. One plan is organized under section 403(b) of the Internal Revenue Code. Upon one year of service, the System makes a matching contribution to the plan, equal to 50% of an employee's elective deferral, up to a maximum of 2% of the employee's compensation. Pension expense related to this plan was \$1,541,792 and \$1,341,874 for 2011 and 2010, respectively.

The other defined contribution plan is organized under Section 401(a) of the Internal Revenue Code. All employees are eligible and are automatically enrolled in the plan. Employees become fully vested after 3 years of service. Employer contributions vary by years of service. The System contributes 1.25% for employees with less than 5 years of service, 1.75% for 5-10 years of service, and 2.25% for over 10 years of service. Pension expense related to this plan was \$4,200,404 and \$1,883,841 for 2011 and 2010, respectively.

Defined Benefit Pension Plans

The System also has a noncontributory defined benefit pension plan covering all employees who meet the eligibility requirements (the Employee Plan). The System's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the System may determine to be appropriate from time to time. This plan was frozen as of December 31, 2009.

The System also has a supplemental executive retirement plan (SERP) covering certain members of management. The System's funding policy is to contribute the amount of pension benefit payments at the time the benefit is paid. The System expects to contribute approximately \$890,000 to the SERP in 2012, with funds already designated for that purpose.

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Distributions were made to certain SERP beneficiaries that resulted in a settlement charge of \$441,758 and \$505,357 for that plan in 2011 and 2010, respectively

The System uses a June 30 measurement date for the plans. Information about the plans' funded status is as follows:

	Employee Plan		SERP	
	2011	2010	2011	2010
Change in benefit obligation				
Beginning of year	\$ 139,264,306	\$ 115,100,472	\$ 9,056,075	\$ 11,253,760
Service cost	241,319	1,438,922	327,085	598,612
Interest cost	7,607,009	7,188,618	107,881	336,275
Amendments	-	-	-	189,717
Actuarial loss	(3,102,560)	17,666,520	(29,284)	346,452
Benefits paid	(2,361,637)	(2,130,226)	(6,728,786)	(3,668,741)
Curtailments	-	-	(780,919)	-
End of year	<u>\$ 141,648,437</u>	<u>\$ 139,264,306</u>	<u>\$ 1,952,052</u>	<u>\$ 9,056,075</u>
Change in fair value of plan assets				
Beginning of year	\$ 90,562,295	\$ 74,624,153	\$ -	\$ -
Actuarial return on plan assets	18,511,592	8,907,813	-	-
Employer contributions	3,416,353	9,160,555	6,728,786	3,668,741
Benefits paid	<u>(2,361,637)</u>	<u>(2,130,226)</u>	<u>(6,728,786)</u>	<u>(3,668,741)</u>
End of year	<u>110,128,603</u>	<u>90,562,295</u>	<u>0</u>	<u>0</u>
Funded status at end of year	<u>\$ (31,519,834)</u>	<u>\$ (48,702,011)</u>	<u>\$ (1,952,052)</u>	<u>\$ (9,056,075)</u>

Liabilities recognized in the System's consolidated balance sheets

	Employee Plan		SERP	
	2011	2010	2011	2010
Current liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 892,603</u>	<u>\$ 3,014,436</u>
Noncurrent liabilities	<u>\$ 31,519,834</u>	<u>\$ 48,702,011</u>	<u>\$ 1,059,449</u>	<u>\$ 6,041,639</u>

Trinity Mother Frances Health System and Subsidiaries

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Amounts recognized in the System's unrestricted net assets not yet recognized as components of net periodic benefit cost consist of

	Employee Plan		SERP	
	2011	2010	2011	2010
Net loss	\$ 29,583,355	\$ 48,099,108	\$ 174,934	\$ 846,815
Prior service cost	-	-	911,077	3,036,647
	<u>\$ 29,583,355</u>	<u>\$ 48,099,108</u>	<u>\$ 1,086,011</u>	<u>\$ 3,883,462</u>

The following is information for pension plans with an accumulated benefit obligation in excess of plan assets

	Employee Plan		SERP	
	2011	2010	2011	2010
Projected benefit obligation	<u>\$ 141,648,437</u>	<u>\$ 139,264,306</u>	<u>\$ 1,952,052</u>	<u>\$ 9,056,075</u>
Accumulated benefit obligation	<u>\$ 141,648,437</u>	<u>\$ 139,264,306</u>	<u>\$ 1,952,052</u>	<u>\$ 9,056,075</u>
Fair value of plan assets	<u>\$ 110,128,603</u>	<u>\$ 90,562,295</u>	<u>\$ 0</u>	<u>\$ 0</u>
Components of net periodic benefit cost				
Service cost	\$ 241,319	\$ 1,438,922	\$ 327,085	\$ 598,612
Interest cost	7,607,009	7,188,618	107,881	336,275
Expected return on plan assets	(6,621,355)	(6,839,094)	-	-
Amortization of prior service cost	-	-	1,508,097	2,292,722
Amortization of net loss	3,522,956	2,141,968	37,393	79,199
Settlement and curtailment recognition	-	-	441,758	505,357
Net periodic benefit cost	<u>\$ 4,749,929</u>	<u>\$ 3,930,414</u>	<u>\$ 2,422,214</u>	<u>\$ 3,812,165</u>

Trinity Mother Frances Health System and Subsidiaries

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	Employee Plan		SERP	
	2011	2010	2011	2010
Net loss	\$ (14,992,797)	\$ 15,597,801	\$ (29,284)	\$ 346,452
Amortization of net loss	(3,522,956)	(2,141,968)	(37,393)	(584,556)
Prior service cost	-	-	(1,508,097)	189,718
Amortization of prior service cost	-	-	(419,074)	(2,292,722)
Amount recognized due to curtailment	-	-	(803,603)	-
Total recognized in other changes in net assets	<u>\$ (18,515,753)</u>	<u>\$ 13,455,833</u>	<u>\$ (2,797,451)</u>	<u>\$ (2,341,108)</u>
Total recognized in net periodic benefit cost and other changes in net assets	<u>\$ (13,765,824)</u>	<u>\$ 17,386,247</u>	<u>\$ (375,237)</u>	<u>\$ 1,471,057</u>

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit costs over the next fiscal year for both plans is \$2,170,000 and \$3,313,541 at June 30, 2011 and 2010, respectively. In addition, SERP-related settlement expense of \$54,000 is expected to be recognized in 2012.

Significant assumptions include

	Employee Plan		SERP	
	2011	2010	2011	2010
Weighted-average assumptions used to determine benefit obligations				
Discount rate	5.64%	5.45%	1.78%	1.77%
Rate of compensation increase	N/A	N/A	5.00%	5.00%
Weighted-average assumptions used to determine benefit costs				
Discount rate	5.45%	6.27%	1.1-2.36%	2.22-3.28%
Expected return on plan assets	7.25%	9.00%	N/A	N/A
Rate of compensation increase	N/A	5.45%	5.00%	5.00%

The System has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

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The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the System as of June 30, 2011

	Employee Plan	SERP
2012	\$ 3,626,115	\$ 892,603
2013	3,904,325	421,756
2014	4,566,471	454,149
2015	5,219,496	488,700
2016	5,808,061	-
2017-2021	38,689,553	-

Plan assets of the pension plan are held in the Texas Hospital Association Retirement Trust for member hospitals, which invests plan assets for the plans of approximately 40 participating hospitals. The investment objectives for the trust are to provide returns, which improve the funded status of the participating hospital's plans over time and reduce pension costs and to receive favorable performance from the pension fund's active managers in exchange for the fees paid to the investment management fund.

Based on the risk posture of the Texas Hospital Association Retirement Trust, the trustees developed asset mix targets, which reflect the holdings of the System. The asset mix target at June 30, 2010 was

Large Cap U.S. equities	50%
Small Cap U.S. equities	15%
International equities	10%
Fixed income	25%

The asset mix target at June 30, 2011 was 40% equities and 60% fixed income.

Pension Plan Assets

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include interest in a pooled investment trust fund. Level 2 inputs include the net asset value reported by fund managers.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy. The Health System did not hold any Level 1 or Level 3 securities in pension plans at June 30, 2011 and 2010. The fair values of the pension plan assets at June 30, 2011 and 2010 are as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
June 30, 2011				
Investment in Texas Hospital Association Retirement Trust	\$ 110,128,603	\$ -	\$ 110,128,603	\$ -
June 30, 2010				
Investment in Texas Hospital Association Retirement Trust	\$ 90,562,295	\$ -	\$ 90,562,295	\$ -

A non-qualified plan trust has been created for the purpose of funding SERP obligations. However, certain rights are retained by general creditors of the System with respect to assets held in trust and, therefore, the trust assets would not be treated as sufficiently separated from the employer to constitute plan assets under Accounting Standards Codification Topic 715 *Compensation - Retirement Benefits*. The assets held in this trust are reported on the consolidated balance sheets as a component of assets limited as to use (See Note 4).

Other Post-retirement Obligations

The Health System has entered into agreements with certain employees to pay for health insurance and long-term care insurance in retirement. The estimated cost of these obligations was approximately \$1,100,000 and \$1,080,000 at June 30, 2011 and 2010, respectively, and has been recorded in other liabilities on the consolidated balance sheets.

Deferred Compensation Plans

The Health System offers a nonqualified deferred compensation plan organized under section 457(b) of the Internal Revenue Code for certain physicians and executives of the Clinic and RMSA. Benefits generally vest immediately. The assets of the plan are recorded in assets limited as to use, internally designated and held by trustee, deferred compensation plan in the consolidated balance sheets and are approximately \$6,281,000 and \$4,314,000 at June 30, 2011 and 2010, respectively. There is an equal offsetting liability recorded in accrued expenses in the consolidated balance sheets.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Investment income related to the plans and corresponding changes in the offsetting liability are recorded as a component of employee benefits in the consolidated statements of operations and changes in net assets

The Health System offers a nonqualified deferred compensation plan organized under section 457(f) of the Internal Revenue Code for certain physicians and executives of the Clinic. Benefits generally vest 24 months after termination of employment subject to certain limitations. The assets of the plan are recorded in assets limited as to use, internally designated and held by trustee, deferred compensation plan in the consolidated balance sheets and are approximately \$7,526,000 and \$6,373,000 at June 30, 2011 and 2010, respectively. There is an equal offsetting liability recorded in other long-term liabilities in the consolidated balance sheets. Investment income related to the plans and corresponding changes in the offsetting liability are recorded as a component of employee benefits in the consolidated statements of operations and changes in net assets

Note 13: Deferred Payments

The Clinic acquired the assets of various physician practices between 1996 and 2004. The purchase of assets included intangible assets representing the value of physician's covenants not to compete executed in connection with the physician's employment agreements. The value of the noncompete agreements depends on the length of time the physician complies with the restrictions on competition.

The amounts allocated to each physician will only be paid if the physician remains an employee of the Clinic for five years from the date of the agreement and complies in full with the restrictions on competition. After termination, payments are made in equal annual installments over four to seven years based on the specific provisions of each agreement.

Interest accrues on the unpaid balance of the amount due to physicians from the date of the agreement at 8% annually. The interest accrued is due and payable annually each December 31, except at the election of the physician employees to defer receipt. The related liability is included in other liabilities on the consolidated balance sheets and totaled \$1,879,847 and \$1,981,263 at June 30, 2011 and 2010, respectively.

Note 14: Related-party Transactions

The Health System leases space and provides various other services to CCHT, which is discussed in *Note 1*. Amounts due the Health System pursuant to these agreements were \$1,156,900 and \$603,434 at June 30, 2011 and 2010, respectively.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Amounts due from affiliates, classified as current receivables, at June 30, 2011 and 2010, are shown below

	2011	2010
The Foundation	\$ 367,175	\$ 615,946
CCHT	1,156,900	603,434
Champion	842,211	-
Other	1,065,029	1,751,827
	<u>\$ 3,431,315</u>	<u>\$ 2,971,207</u>

The Health System holds a non-controlling membership interest in the Pineywoods Service Organization and the Service Organization of North and East Texas (collectively, the Service Organizations). The primary purpose of the Service Organizations is to improve the health care of residents in east Texas through multiple means. A member of management of the Health System serves on the Board of Directors of the Service Organizations. During 2011 and 2010, the Health System contributed approximately \$8,415,000 and \$1,941,000, respectively, to the Service Organizations.

Note 15: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the items listed as follows:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1* and *2*.

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *6*.

Admitting Physicians

Over 55% of the Hospital's revenue is generated from patients referred by the Clinic and its physicians.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

More than 10% of the Hospital's revenue is generated from a local physician group that is unrelated to the Hospital

Litigation

In the normal course of business, the Health System is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Health System's self-insurance program (discussed elsewhere in these notes) or by commercial insurance, for example, allegations regarding employment practices or performance of contracts. The Health System evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Deferred Compensation Agreement

As discussed in *Note 12* and *13*, the amount of annual expense accrued for deferred compensation is based on an estimate of the total amounts payable under the contracts over the lifetimes of the beneficiaries.

Self-insured Employee Health Care and Workers' Compensation

Estimates related to the accrual for self-insured employee health claims and workers' compensation claims care are discussed in *Note 6*.

Defined Benefit Pension Plan

Estimates related to the Health System's obligation for its defined benefit pension plan are described in *Note 12*.

Investments

The Health System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Health Care Reform

During 2010, Congress passed legislation that will significantly reform the United States of America health care system. The legislation will require certain changes through 2014 to private and public health care insurance plans. While the impact of these regulatory changes cannot currently be determined, it is reasonably possible that these changes will have a significant impact on the Health System's net patient service revenues and operations.

Current Economic Conditions

The current economic environment presents health systems with unprecedented circumstances and challenges, which, in some cases, have resulted in large declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Health System.

Current economic conditions, including the rising unemployment rate, have made it difficult for certain patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Health System's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments in investment values (including defined benefit pension plan investments) and allowances for accounts and contributions receivable that could negatively impact the Health System's ability to meet debt covenants or maintain sufficient liquidity.

Note 16: Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include investments in money market mutual funds, corporate bonds, equities and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include investments in U.S. Treasury and Agency obligations, corporate bonds and a hedge fund investment. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Health System did not hold any Level 3 securities at June 30, 2011 and 2010.

Quoted market prices are used to determine the fair value of Level 1 items. For Level 2 investments, inputs include maturity and coupon rates and/or closing prices of similar securities from comparable industry financial data and the net asset value reported by investment managers.

Interest Rate Swap Agreements

The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

The table below presents the fair value measurements of assets and liabilities recognized in the consolidated balance sheets measured at fair value on a recurring basis and the level within the Topic 820 fair value hierarchy in which the fair value measurements fall at June 30, 2011 and 2010

	Fair Value Measurements Using			
	Fair Value	Quoted	Significant	Significant
		Prices in	Other	Unobservable
		Active Markets	Observable	Inputs
		for Identical	Inputs	Inputs
		Assets	(Level 2)	(Level 3)
		(Level 1)		
June 30, 2011				
Money market mutual funds	\$ 26 435 269	\$ 26 435 269	\$ -	\$ -
U S Treasury obligations	45 945 789	-	45 945 789	-
U S Agency obligations	16 023 615	-	16 023 615	-
Corporate bonds	19 391 159	-	19 391 159	-
Equity Securities				
Financials	4 430 323	4 430 323	-	-
Technology	3 748 558	3 748 558	-	-
Industrial and material	7 321 415	7 321 415	-	-
Consumer products	6 440 887	6 440 887	-	-
Energy and utilities	6 252 621	6 252 621	-	-
Other sectors	4 277 104	4 277 104	-	-
Mutual Funds				
Balanced	6 282 190	6 282 190	-	-
U S equity	2 520 215	2 520 215	-	-
International equity	2 653 997	2 653 997	-	-
Fixed income	4 850 671	4 850 671	-	-
Hedge fund	4 930 125	-	4 930 125	-
Interest rate swap agreements	(3 015 341)	-	(3 015 341)	-
June 30, 2010				
Money market mutual funds	\$ 29 332 196	\$ 29 332 196	\$ -	\$ -
U S Treasury obligations	14 414 765	-	14 414 765	-
U S Agency obligations	42 608 657	-	42 608 657	-
Corporate bonds	14 252 475	-	14 252 475	-
Equity securities				
Financials	3 738 985	3 738 985	-	-
Technology	3 163 607	3 163 607	-	-
Industrial and material	6 178 931	6 178 931	-	-
Consumer products	5 435 807	5 435 807	-	-
Energy and utilities	5 276 919	5 276 919	-	-
Other sectors	3 609 676	3 609 676	-	-
Mutual Funds				
Balanced	4 695 250	4 695 250	-	-
U S equity	1 439 517	1 439 517	-	-
International equity	1 561 513	1 561 513	-	-
Fixed income	3 157 951	3 157 951	-	-
Hedge fund	4 501 484	-	4 501 484	-
Interest rate swap agreements	(4 811 527)	-	(4 811 527)	-

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

Topic 820 permits entities to choose to measure many financial instruments and certain other items at fair value. The Health System elected the fair value option for its hedge fund investment. The fair value of this investment has been estimated using the net asset value per share of the investment. The hedge fund investment may be sold at the Hospital's option at the end of any quarter during the calendar year.

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value:

Cash and Cash Equivalents

The carrying amount approximates fair value.

Certificates of Deposit

Amortized cost approximates fair value.

Repurchase Agreements

It was not practical to estimate the fair value and, as such, their cost is reflected below as equal to fair value.

Interest in Net Assets of the Foundation

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement.

Long-term Debt

Fair value is estimated, based on the borrowing rates currently available to the Health System for debt with similar terms and maturities.

Trinity Mother Frances Health System and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

The following table presents estimated fair values of the Health System's financial instruments, not previously disclosed, at June 30, 2011 and 2010

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	\$ 74,948,382	\$ 74,948,382	\$ 48,074,424	\$ 48,074,424
Investments and assets				
limited as to use	178,771,045	178,771,045	157,168,741	157,168,741
Interest rate swap agreement	158,821	158,821	161,874	161,874
Interest in net assets of the Foundation	9,995,898	9,995,898	8,914,715	8,914,715
Financial liabilities				
Long-term debt	187,089,668	208,051,948	195,931,436	205,485,149
Interest rate swap agreement	3,174,162	3,174,162	4,973,401	4,973,401

Note 17: Commitments

During 2011, the Health System contracted with a vendor to implement a new information technology system which incorporated electronic health records. The commitment to the vendor to implement the project is approximately \$20,000,000 through 2015.

The Health System has commenced construction on a heart hospital on the main campus. The total cost of the project is estimated to be approximately \$50,000,000, and construction is expected to be completed in Fall 2012. Management anticipates obtaining financing through a bond offering during Fall 2011 to pay for a portion of the construction.

Note 18: Subsequent Events

Subsequent events have been evaluated through September 28, 2011, which is the date the consolidated financial statements were issued.

Independent Accountants' Report on Supplementary Information

Board of Governors
Trinity Mother Frances Health
System and Subsidiaries
Tyler, Texas

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary consolidating information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the basic consolidated financial statements. The consolidating information has been subjected to the procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

BKD, LLP

September 28, 2011

Trinity Mother Frances Health System and Subsidiaries

Balance Sheet - Consolidating Information

June 30, 2011

	Trinity Mother Frances Health System	Mother Frances Hospital Regional Health Care Center and Subsidiaries (Obligated Group)	Trinity Clinic	Mother Frances Hospital - Jacksonville	Mother Frances Hospital - Winnsboro
Assets					
Current Assets					
Cash and cash equivalents	\$ 676 704	\$ 70 996 549	\$ 2 731 751	\$ 118 504	\$ 6 383
Short-term investments	-	8 019 446	-	-	-
Assets limited as to use - current	-	5 562 745	6 795 791	-	-
Patient accounts receivable - net of allowance of \$89 612 000	-	52 497 443	9 419 679	4 311 646	1 372 768
Collateral receivable	-	1 249 297	-	-	-
Due from affiliates	209 692	3 221 623	-	-	-
Inventories	-	5 470 661	191 644	158 986	371 839
Prepaid expenses and other	1 640 362	2 877 128	298 754	104 529	620 990
Total current assets	2 526 758	149 894 892	19 437 619	4 693 665	2 371 980
Assets Limited As To Use					
Internally designated for capital acquisitions	-	30 868 342	1 225 050	-	-
Internally designated and held by trustee supplemental retirement plan	-	1 622 700	-	-	-
Internally designated and held by trustee self-insurance	-	10 572 648	6 883 204	-	-
Internally designated and held by trustee deferred compensation plan	-	537 543	13 170 710	-	-
Held by trustee - under bond indenture agreement	-	30 164 042	-	-	-
Restricted by donor	-	18 079 397	-	-	-
	0	91 844 672	21 278 964	0	0
Less amount required to meet current obligations	-	5 562 745	6 795 791	-	-
Total assets limited as to use	0	86 281 927	14 483 173	0	0
Property and Equipment, At Cost					
Land and land improvements	-	35 749 804	-	-	630 610
Buildings and leasehold improvements	-	296 659 161	5 368 708	-	3 000 867
Equipment	-	234 116 650	6 561 909	8 850 847	3 943 233
Construction in progress	-	8 864 531	-	-	-
	0	575 390 146	11 930 617	8 850 847	7 574 710
Less accumulated depreciation	-	313 456 716	5 832 114	7 781 743	1 301 260
Total property and equipment - net	0	261 933 430	6 098 503	1 069 104	6 273 450
Intercompany Receivables	3 563 098	105 162 053	59 688 740	18 178 922	0
Other Assets					
Interest in net assets of Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	9 995 898	-	-	-	-
Other investments	-	57 627 963	-	-	-
Investment in affiliates	484 225	4 184 681	-	-	-
Interest rate swap agreement	-	158 821	-	-	-
Deferred financing costs and other	47 538	1 858 936	504 359	-	-
Total other assets	10 527 661	63 830 401	504 359	0	0
Total assets	\$ 16 617 517	\$ 667 102 703	\$ 100 212 394	\$ 23 941 691	\$ 8 645 430

Mother Frances Hospital - Corsicana	The Regional Healthcare Alliance	TrinCare, Inc	HealthPlan of Texas, Inc	Eliminations	Consolidated
\$ -	\$ 1 045	\$ 64 752	\$ 352 694	\$ -	\$ 74 948 382
-	-	-	-	-	8 019 446
-	-	-	-	-	12 358 536
-	-	407 365	-	-	68 008 901
-	-	-	-	-	1 249 297
-	-	-	-	-	3 431 315
-	-	107 518	-	-	6 300 648
-	-	-	(186 834)	-	5 354 929
0	1 045	579 635	165 860	0	179 671 454
-	-	-	-	-	32 093 392
-	-	-	-	-	1 622 700
-	-	-	-	-	17 455 852
-	-	-	-	-	13 708 253
-	-	-	-	-	30 164 042
-	-	-	-	-	18 079 397
0	0	0	0	0	113 123 636
-	-	-	-	-	12 358 536
0	0	0	0	0	100 765 100
-	-	-	-	-	36 380 414
-	-	-	-	-	305 028 736
-	-	432 824	184 371	-	254 089 834
-	-	-	-	-	8 864 531
-	0	432 824	184 371	0	604 363 515
-	-	62 948	184 357	-	328 619 138
-	0	369 876	14	0	275 744 377
0	0	0	(1 492)	(186 591 321)	0
-	-	-	-	-	9 995 898
-	-	-	-	-	57 627 963
-	-	-	-	(46 523)	4 622 383
-	-	-	-	-	158 821
-	-	-	-	-	2 410 833
0	0	0	0	(46 523)	74 815 898
\$ -	\$ 1 045	\$ 949 511	\$ 164 382	\$ (186 637 844)	\$ 630 996 829

Trinity Mother Frances Health System and Subsidiaries

Balance Sheet - Consolidating Information (Continued)

June 30, 2011

Liabilities and Net Assets (Deficit)	Trinity Mother Frances Health System	Mother Frances Hospital Regional Health Care Center and Subsidiaries (Obligated Group)	Trinity Clinic	Mother Frances Hospital - Jacksonville	Mother Frances Hospital - Winnsboro
Current Liabilities					
Current maturities of long-term debt	\$ 322 424	\$ 6 373 334	\$ 2 400 000	\$ -	\$ -
Accounts payable	514 513	32 208 767	141 013	1 639 793	455 787
Accrued expenses	-	25 888 435	15 175 803	-	315 376
Estimated amounts due to third-party payers	-	4 849 480	-	1 271 479	2 516 246
Estimated self-insurance costs	-	5 235 978	1 055 640	53 720	-
Pension liability	-	892 603	-	-	-
Total current liabilities	836 937	75 448 597	18 772 456	2 964 992	3 287 409
Intercompany Payables	81 834 969	18 325 573	74 513 649	8 251 148	2 724 192
Estimated Self-insurance Costs	-	3 847 040	4 222 560	214 880	73 500
Long-term Debt	9 038 474	167 323 623	1 631 813	-	-
Interest Rate Swap Agreement	-	3 174 162	-	-	-
Other Liabilities	1 100 000	-	9 406 206	-	-
Pension Liability	-	25 269 537	7 309 746	-	-
Total liabilities	92 810 380	293 388 532	115 856 430	11 431 020	6 085 101
Net Assets (Deficit)					
Unrestricted	(86 188 761)	355 634 774	(15 644 036)	12 510 671	2 560 329
Temporarily restricted	7 894 152	18 079 397	-	-	-
Permanently restricted	2 101 746	-	-	-	-
Total net assets (deficit)	(76 192 863)	373 714 171	(15 644 036)	12 510 671	2 560 329
Total liabilities and net assets (deficit)	\$ 16 617 517	\$ 667 102 703	\$ 100 212 394	\$ 23 941 691	\$ 8 645 430

Mother Frances Hospital - Corsicana	The Regional Healthcare Alliance	TrinCare, Inc	HealthPlan of Texas, Inc	Eliminations	Consolidated
\$ -	\$ -	\$ -	\$ -	\$ -	9 095 758
-	2 716	68	98 426	-	35 061 083
-	-	40 597	-	-	41 420 211
-	-	-	-	-	8 637 205
-	-	-	-	-	6 345 338
-	-	-	-	-	892 603
0	2 716	40 665	98 426	0	101 452 198
-	89 800	833 405	18 585	(186 591 321)	-
-	-	-	-	-	8 357 980
-	-	-	-	-	177 993 910
-	-	-	-	-	3 174 162
-	-	-	-	-	10 506 206
-	-	-	-	-	32 579 283
-	92 516	874 070	117 011	(186 591 321)	334 063 739
-	(91 471)	75 441	47 371	(46 523)	268 857 795
-	-	-	-	-	25 973 549
-	-	-	-	-	2 101 746
-	(91 471)	75 441	47 371	(46 523)	296 933 090
\$ -	\$ 1 045	\$ 949 511	\$ 164 382	\$ (186 637 844)	\$ 630 996 829

Trinity Mother Frances Health System and Subsidiaries

Statement of Operations and Changes in Net Assets - Consolidating Information Year Ended June 30, 2011

	Trinity Mother Frances Health System	Mother Frances Hospital Regional Health Care Center and Subsidiaries (Obligated Group)	Trinity Clinic	Mother Frances Hospital - Jacksonville	Mother Frances Hospital - Winnsboro
Unrestricted Revenues, Gains and Other Support					
Net patient service revenue	\$ -	\$ 475 662 892	\$ 103 556 696	\$ 34 708 727	\$ 17 191 116
Other operating revenue	42 515 452	33 765 239	12 877 915	3 071 990	251 561
Equity in earnings of affiliate	(623 901)	4 553 601	-	-	-
Interest income	-	764 045	-	-	-
Total unrestricted revenues, gains and other support	41 891 551	514 745 777	116 434 611	37 780 717	17 442 677
Expenses					
Salaries and wages	22 094 470	143 598 199	16 392 913	7 741 346	5 491 616
Employee benefits	6 398 656	32 752 098	3 162 854	1 828 008	1 303 653
Purchased services and professional fees	8 351 654	112 019 476	99 642 913	12 101 983	7 150 000
Supplies and other	9 005 038	111 658 137	8 650 870	5 839 087	2 213 099
Depreciation and amortization	1 734 590	23 477 585	850 916	465 207	853 925
Interest	504 646	5 830 571	304 540	-	-
Provision for uncollectible accounts	-	30 460 418	5 929 198	6 766 657	2 940 943
Equity in income of consolidated subsidiary	35 616	-	-	-	-
Total expenses	48 124 670	459 796 484	134 934 204	34 742 288	19 953 236
Operating Income (Loss)	(6 233 119)	54 949 293	(18 499 593)	3 038 429	(2 510 559)
Other Income (Expense)					
Investment return	702	9 176 406	7 536	-	-
Change in fair value of interest rate swap agreements	-	1 796 186	-	-	-
Contributions	-	(7 622 101)	-	(946 111)	(94 182)
Total other income (expense)	702	3 350 491	7 536	(946 111)	(94 182)
Excess (Deficiency) of Revenues Over Expenses	\$ (6 232 417)	\$ 58 299 784	\$ (18 492 057)	\$ 2 092 318	\$ (2 604 741)

Mother Frances Hospital - Corsicana	The Regional Healthcare Alliance	TrinCare, Inc	HealthPlan of Texas, Inc	Eliminations	Consolidated
\$ -	\$ -	\$ 2,427,475	\$ -	\$ -	633,546,906
-	-	174,364	32,956	(56,750,234)	35,939,243
-	-	-	-	-	3,929,700
-	-	-	-	-	764,045
0	-	2,601,839	32,956	(56,750,234)	674,179,894
-	-	705,548	42,940	(1,891,970)	194,175,062
-	-	165,464	10,138	-	45,620,871
-	11,829	1,129,723	6,556	(53,087,047)	187,327,087
-	-	270,885	7,491	(1,756,801)	135,887,806
-	-	48,042	-	-	27,430,265
-	-	-	-	(14,416)	6,625,341
-	-	281,750	-	-	46,378,966
-	-	-	-	(35,616)	-
0	11,829	2,601,412	67,125	(56,785,850)	643,445,398
0	(11,829)	427	(34,169)	35,616	30,734,496
-	-	-	-	-	9,184,644
-	-	-	-	-	1,796,186
-	-	-	-	-	(8,662,394)
0	0	0	0	0	2,318,436
\$ 0	\$ (11,829)	\$ 427	\$ (34,169)	\$ 35,616	\$ 33,052,932

Trinity Mother Frances Health System and Subsidiaries

Statement of Operations and Changes in Net Assets - Consolidating Information (Continued)

Year Ended June 30, 2011

	Trinity Mother Frances Health System	Mother Frances Hospital Regional Health Care Center and Subsidiaries (Obligated Group)	Trinity Clinic	Mother Frances Hospital - Jacksonville	Mother Frances Hospital - Winnsboro
Unrestricted Net Assets					
Excess (deficiency) of revenues over expenses	\$ (6,232,417)	\$ 58,299,784	\$ (18,492,057)	\$ 2,092,318	\$ (2,604,741)
Net assets released from restrictions	-	274,271	-	-	-
Change in pension liability	-	21,313,204	-	-	-
Transfer (to) from affiliate	10,124,901	(24,977,757)	15,117,595	-	-
	<u>3,892,484</u>	<u>54,909,502</u>	<u>(3,374,462)</u>	<u>2,092,318</u>	<u>(2,604,741)</u>
Increase (decrease) in unrestricted net assets					
Temporarily Restricted Net Assets					
Contributions received	-	18,208,232	-	-	-
Change in financial interest in Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	1,081,133	-	-	-	-
Investment return	-	125,358	-	-	-
Net assets released from restrictions	-	(274,271)	-	-	-
	<u>1,081,133</u>	<u>18,059,319</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase in temporarily restricted net assets					
Permanently Restricted Net Assets					
Change in financial interest in Trinity Mother Frances Health System Foundation Center for Health Care Philanthropy	50	-	-	-	-
	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Increase in permanently restricted net assets					
Change in Net Assets	<u>4,973,667</u>	<u>72,968,821</u>	<u>(3,374,462)</u>	<u>2,092,318</u>	<u>(2,604,741)</u>
Net Assets (Deficit), Beginning of Year	<u>(81,166,530)</u>	<u>300,745,350</u>	<u>(12,269,574)</u>	<u>10,418,353</u>	<u>5,165,070</u>
Net Assets (Deficit), End of Year	<u>\$ (76,192,863)</u>	<u>\$ 373,714,171</u>	<u>\$ (15,644,036)</u>	<u>\$ 12,510,671</u>	<u>\$ 2,560,329</u>

Mother Frances Hospital - Corsicana	The Regional Healthcare Alliance	TrinCare, Inc	HealthPlan of Texas, Inc	Eliminations	Consolidated
\$ -	\$ (11 829)	\$ 427	\$ (34 169)	\$ 35 616	\$ 33 052 932
-	-	-	-	-	274 271
-	-	-	-	-	21 313 204
(264 739)	-	-	-	-	-
(264 739)	(11 829)	427	(34 169)	35 616	54 640 407
-	-	-	-	-	18 208 232
-	-	-	-	-	1 081 133
-	-	-	-	-	125 358
-	-	-	-	-	(274 271)
0	0	0	0	0	19 140 452
-	-	-	-	-	50
0	0	0	0	0	50
(264 739)	(11 829)	427	(34 169)	35 616	73 780 909
264 739	(79 642)	75 014	81 540	(82 139)	223 152 181
\$ -	\$ (91 471)	\$ 75 441	\$ 47 371	\$ (46 523)	\$ 296 933 090