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Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Johnston Memorial Hospital Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

351 Court Street NE

Room/suite

City or town, state or country, and ZIP + 4

Abingdon, VA 24210

F Name and address of principal officer

Timothy G Evans

351 Court Street NE

Abingdon, VA 24210

H(a) Is this a group return for affiliates?

☐ Yes

☒ No

H(b) Are all affiliates included?

☐ Yes

☐ No

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

H(c) Group exemption number

D Employer identification number

54-0544705

E Telephone number

(276) 676-7000

G Gross receipts \$ 112,517,482

I Tax-exempt status

☒ 501(c) (3)

☐ (Insert no)

☐ 4947(a)(1) or

☐ 527

J Website: http //www.jmh.org

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation 1917

M State of legal domicile VA

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO RESPOND TO THE HEALTHCARE NEEDS OF INDIVIDUALS AND COMMUNITIES IN OUR REGION AND TO ASSIST THEM IN ATTAINING THEIR HIGHEST POSSIBLE LEVEL OF HEALTH		
	2	Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
Revenue	5	Total number of employees (Part V, line 2a)	5	902
	6	Total number of volunteers (estimate if necessary)	6	188
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	13,013
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	9,468
Expenses	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	50,918	85,272
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	98,318,601	105,584,171
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,699,371	6,294,232
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	353,072	382,119
			105,421,962	112,345,794
Net Assets or Fund Balances	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	20,000	88,355
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	46,057,010	45,020,126
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="text" value="0"/>		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	51,663,294	58,620,461
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	97,740,304	103,728,942
	19	Revenue less expenses Subtract line 18 from line 12	7,681,658	8,616,852
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	308,624,515	321,503,562
	21	Total liabilities (Part X, line 26)	48,720,992	49,582,770
	22	Net assets or fund balances Subtract line 21 from line 20	259,903,523	271,920,792

Part II Signature Block

Sign Here

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

Signature of officer

2011-05-16

Date

Timothy G Evans CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

DEBORAH O ERNSBERGER

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4

Pershing Yoakley & Associates P C

One Cherokee Mills 2220 Sutherland

Knoxville, TN 379192363

EIN

Phone no (865) 673-0844

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes

☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2009)

1 Briefly describe the organization's mission

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

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










4a	(Code	(Expenses \$	78,622,660	including grants of \$	88,355)	(Revenue \$	105,286,010)
	<p>Johnston Memorial Hospital ("hospital") is a tax-exempt community-based hospital, which is committed to Bringing Loving Care to Health Care. We exist to identify and respond to the healthcare needs of individuals and communities in our region and to assist them in attaining their highest possible level of health. Team Members of Johnston Memorial Hospital recognize a core set of values to help assure our patients receive high quality and compassionate care at a reasonable cost. These values are - Integrity - honesty in everything we do- Service - with caring and compassion- Leadership - with creativity and innovation- Excellence - always pursuing a higher standard. In fiscal year 2010, Johnston Memorial Hospital provided patient care to over 5,883 In-Patients, representing 22,427 Inpatient days and 1,311 Newborn Days. We also provided outpatient services to over 154,021 patients. Care given to Medicare and Medicaid patients make up approximately 67% of the hospital's total patient revenue. Community Health Education and other Community Support. Recognizing our mission to the community in the area of healthcare education, Johnston Memorial Hospital and its team members offer many free programs throughout the year aimed at improving community health. We offered the following educational classes and programs - Ongoing Cancer Education Classes- Ongoing Diabetes Education- Advanced Cardiac Life Support Certification Course- Pediatric Advanced Life Support Certification Course- Cardio Pulmonary Resuscitation Certification Course- Total Joint Classes- Baby on the Way, Breastfeeding, Parenting Courses- Annual Baby Fair- Prostate Cancer Screening- AED Training and Education- Diabetes Education Health Fair- Heart Saver First Aid Classes for Day Care, schools, churches, etc - Monthly Lunch and Learn at local recreation center- Healthy Cooking Demonstration- Annual Sports Physicals for local high schools. We sponsored or assisted local support groups in the following programs - Heart-to-Heart Educational Support Group- Cancer Education Support Group- Diabetes Education Support Group- Resolve Through Sharing Support Group - for those grieving the loss of newborns- Annual Asthma Camp- Ladies Night Out (Breast Cancer Awareness Event). Johnston Memorial Hospital recognizes the importance of healthcare educational programs toward providing quality healthcare to our communities. In fiscal year 2010, we supported a nursing instructor position at the local community college to assist in maintaining and developing the nursing program. In addition, we provided a clinical setting for many students training in health related programs such as registered nursing, licensed practical nursing, radiology, lab, and respiratory. Johnston Memorial Hospital also recognizes the importance of supporting our not-for-profit community based organizations in fundraising and other events. The hospital and our employees contributed over \$150,000 in cash and in-kind contributions to our community in fiscal year 2009 to such organizations as the American Lung Association, March of Dimes, United Way, Relay for Life Cancer Fundraiser, and many others.</p>						

[illegible][illegible]

4d	Other program services (Describe in Schedule O)	(Expenses \$	including grants of \$	(Revenue \$
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4e	Total program service expenses	\$ 78,622,660
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Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	153		
	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	902		
	b		If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)		2b
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		3a	Yes	
b		If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
	b		If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .		5a		No
b		Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
c		If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		6a		No
b		If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b	
7 Organizations that may receive deductible contributions under section 170(c).					
a		Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		7a	No
b		If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	
c		Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c	No
d		If "Yes," indicate the number of Forms 8282 filed during the year		7d	
e		Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e	No
f		Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .		7f	No
g		For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .		7g	
h		For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h	
8		Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8	
9		Sponsoring organizations maintaining donor advised funds.			
a		Did the organization make any taxable distributions under section 4966?		9a	
b		Did the organization make a distribution to a donor, donor advisor, or related person?		9b	
10 Section 501(c)(7) organizations. Enter					
a		Initiation fees and capital contributions included on Part VIII, line 12		10a	
b		Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		10b	
11 Section 501(c)(12) organizations. Enter					
a		Gross income from members or shareholders		11a	
b		Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		11b	
12a		Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a	
b		If "Yes," enter the amount of tax-exempt interest received or accrued during the year		12b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	15	
b	Enter the number of voting members that are independent . . .	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	Yes	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶VA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ Sean McMurray 351 Court Street NE Abingdon, VA 24210 (276) 676-7000

1b	Total	749,154	2,999,188	237,520
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **▶5**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
RJ Griffin & COmpany 800 Mt Vernon Hwy Ste 200 atlanta, GA 30328	construction	21,934,874
cardinal health inc po box 402574 atlanta, GA 30384	drugs/medical supplies	2,799,208
earl swensson associates PO Box 410628 nashville, TN 37241	Architecture	2,666,433
virginia highlands anesthesia po box 1476 abingdon, VA 24210	anesthesia	2,098,417
ownens & minor po box 84120 dallas, TX 75284	drugs/medical supplies	937,251

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 **▶22**

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	36,506				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	48,766				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			85,272			
Program Service Revenue			Business Code					
	2a	Net Patient Revenue	621,500	105,286,010	105,286,010			
	b	Partnership Income	561,000	298,161		13,013	285,148	
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			105,584,171			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			5,583,552		5,583,552	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		Gross Rents		197,457				
		b	Less rental expenses	117,222				
		c	Rental income or (loss)	80,235				
	d	Net rental income or (loss)			80,235		80,235	
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory		754,774	10,372			
		b	Less cost or other basis and sales expenses	47,829	6,637			
		c	Gain or (loss)	706,945	3,735			
	d	Net gain or (loss)			710,680		710,680	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
		b	Less direct expenses	b				
		c	Net income or (loss) from fundraising events . .					
	9a	Gross income from gaming activities See Part IV, line 19		a				
		b	Less direct expenses	b				
		c	Net income or (loss) from gaming activities . .					
	10a	Gross sales of inventory, less returns and allowances		a				
b		Less cost of goods sold	b					
c		Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code						
11a	Cafeteria Revenue	722,100	185,509			185,509		
b	medical records	518,210	31,288			31,288		
c	Purchase discounts	900,099	23,946			23,946		
d	All other revenue		61,141			61,141		
e	Total. Add lines 11a-11d			301,884				
12	Total revenue. See Instructions			112,345,794	105,286,010	13,013	6,961,499	

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	88,355	88,355		
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	729,065		729,065	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	36,750,795	33,430,180	3,320,615	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,240,079	1,106,089	133,990	
9	Other employee benefits	3,876,865	3,722,821	154,044	
10	Payroll taxes	2,423,322	2,395,154	28,168	
11	Fees for services (non-employees)				
a	Management	82,318		82,318	
b	Legal	69,309		69,309	
c	Accounting	43,441		43,441	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	131,389		131,389	
g	Other	9,348,481	8,503,987	844,494	
12	Advertising and promotion	244,983	196,337	48,646	
13	Office expenses	2,405,559	1,798,978	606,581	
14	Information technology	930,091	866,242	63,849	
15	Royalties				
16	Occupancy	2,191,183	2,043,244	147,939	
17	Travel	82,823	74,243	8,580	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	97,602	84,226	13,376	
20	Interest	2,423,189		2,423,189	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	14,569,725	138,724	14,431,001	
23	Insurance	472,070	8,021	464,049	
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	MEDICAL SUPPLIES & DRUG	20,287,464	20,287,464		
b	Repairs & Maintenance	2,727,672	2,693,666	34,006	
c	Other	1,475,162	146,929	1,328,233	
d	Bad Debt	905,997	905,997		
e	Retention and Recruitme	132,003	132,003		
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	103,728,942	78,622,660	25,106,282	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			16,299,289	1	10,247,304
	2	Savings and temporary cash investments			3,110,762	2	1,545,175
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			15,959,687	4	18,087,850
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			1,704,292	7	1,397,394
	8	Inventories for sale or use			1,402,635	8	3,820,438
	9	Prepaid expenses and deferred charges			972,336	9	974,053
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	196,285,128	67,487,171	10c	107,819,626
	b	Less accumulated depreciation	10b	88,465,502			
	11	Investments—publicly traded securities			72,564,258	11	86,216,282
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets			61,600	14	35,200
	15	Other assets. See Part IV, line 11			129,062,485	15	91,360,240
	16	Total assets. Add lines 1 through 15 (must equal line 34)			308,624,515	16	321,503,562
Liabilities	17	Accounts payable and accrued expenses			14,314,226	17	16,442,094
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			16,310,000	20	15,240,000
	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			18,096,766	25	17,900,676
	26	Total liabilities. Add lines 17 through 25			48,720,992	26	49,582,770
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			259,903,523	27	271,920,792
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			259,903,523	33	271,920,792
	34	Total liabilities and net assets/fund balances			308,624,515	34	321,503,562

Part XI **Financial Statements and Reporting**

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

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Johnston Memorial Hospital Inc

Employer identification number
54-0544705

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

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

SCHEDULE D
(Form 990)

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization Johnston Memorial Hospital Inc	Employer identification number 54-0544705
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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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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) <input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area <input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure <input type="checkbox"/> Preservation of open space
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
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? <input type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input type="checkbox"/> No
9	In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

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

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

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

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

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,009,848		5,009,848
b Buildings		50,517,574	45,474,745	5,042,829
c Leasehold improvements		885,909	290,533	595,376
d Equipment		71,981,970	41,283,569	30,698,401
e Other		67,889,827	1,416,655	66,473,172
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				107,819,626

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

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

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

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, 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
Part X	Description of Uncertain Tax Positions Under FIN 48	JMH previously adopted the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes, Relating to Uncertain Tax Positions. ASC 740 provided guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC 740 requires the evaluation of the tax positions taken or expected to be taken in the course of preparing tax returns to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority, including resolution of any appeals or litigation, based on the technical merits of the position, including administrative practices and precedents. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement which could result in the Hospital recording a tax liability that would reduce net assets. Tax positions not deemed to meet a "more likely than not" threshold would be recorded as tax expense in the current year. JMH has not identified any significant uncertain tax positions at June 30, 2010.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Johnston Memorial Hospital Inc

Employer identification number
54-0544705

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			1,104,716	0	1,104,716	1 070 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			13,685,296	7,042,524	6,642,772	6 460 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			0	0		
d Total Charity Care and Means-Tested Government Programs			14,790,012	7,042,524	7,747,488	7 530 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		115,039	115,039	0	115,039	0 110 %
f Health professions education (from Worksheet 5)			0	0		
g Subsidized health services (from Worksheet 6)			0	0		
h Research (from Worksheet 7)			0	0		
i Cash and in-kind contributions to community groups (from Worksheet 8)			48,231	0	48,231	0 050 %
j Total Other Benefits		115,039	163,270		163,270	0 160 %
k Total. Add lines 7d and 7j		115,039	14,953,282	7,042,524	7,910,758	7 690 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other		35,750		35,750	0.030 %
10	Total		35,750		35,750	0.030 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	21,774,507	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	31,064,704	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	529,255,351	
6	Enter Medicare allowable costs of care relating to payments on line 5	634,110,699	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7-4,855,348	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

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

[illegible]

Part VI

Supplemental Information

Complete this part to provide the following information

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

See additional data

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

See additional data

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

See additional data

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

Part VI, Line 4 JMH is located in abingdon, Washington County, which is in rural Southwest Virginia The population of Washington County is just over 68,400 and according to the U S Census Bureau, the city of abingdon has a population of 8,191 The median age of residents of abingdon is 42 4, which is older than the average age of 36 5 in the United States Abingdon has a median household income of \$33,724, which is significantly below Virginia's median household income

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

Part VI, Line 5 The activities reported in Part II seek to achieve specified objectives, including improving access to health services, enhancing public health, and relief of government burden The activities are available to the general public, focusing on low-income consumers

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

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

See additional data

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

VA

Additional Data

Software ID:
Software Version:
EIN: 54-0544705
Name: Johnston Memorial Hospital Inc

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

Part I, Line 6a mountain states health alliance (MSHA) prepared an annual written report that describes the organization's programs and services that promote the health of the communities it serves jmh, as a member of MSHA, is included in MSHA's report

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

Part I, Line 7 A cost to charge ratio was used to calculate line 7 utilizing the Schedule H applicable worksheets, including Worksheet 2, Ratio of Patient Care Cost to Charges

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

Part I, Line 7f Bad Debt expense of \$905,997 is included in total expenses on Form 990, Part IX, Statement of Functional Expenses, line 25 but has been subtracted from total expenses for purposes of calculating column (f) percentages

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

Part III, Line 4 Worksheet A was used for Part III, lines 2 and 3 in determining bad debt at cost Footnote disclosure from JMH's fiscal year 2010 audited financial statement reads "In Novemeber 2006, the Healthcare Financial Management Association's (HFMA) Principles and Practices Board issued Statement 15 Valuation and Financial Statement Presentation of Charity Care and Bad Debts by Institutional Healthcare Providers (the "Statement") The Statement provides guidance on collectability criteria and emphasizes revenue recognition only when collections are reasonably assured The Hospital adopted the Statement and evaluated its revenue recognition policies related to certain types of patient revenue (primarily self-pay) As a result, amounts previously recognized as net patient service revenue and subsequently written off as bad debts are no longer recognized as net patient revenue and estimated provision for bad debt in the accompanying financial statements "To further explain JMH's reporting of bad debt expense, JMH's financial statement accounts for bad debt expenses in two locations First, a deduction from revenue line called "Contra-Revenue" contains the majority of JMH's estimated self-pay bad debt For fiscal year 2010, 95% of total bad debt was moved to this line This percentage is simply an estimate of what Patient Financial Services anticipates will not be collected after all debt collection efforts have been exhausted This estimate is based on historical information The remaining 5% of bad debt is recorded in the expense section appropriately called "Bad Debt" The footnotes to the audited financial statement report the amount of estimated uncollectible self-pay and explains that uncollectible patient accounts receivable estimated reserves are based upon prior collection history for groups of receivables, known collection risks and other environmental factors, including the age of the receivables Regarding line 3, it is implausible to determine the amount of JMH's bad debt associated with those patients who may have met the criteria set forth in our financial assistance policy without having a completed financial assessment for each patient We are unable to determine our patients' financial circumstances unless a completed financial assessment form is voluntarily provided to us We can assert that more than 90% of our patients who have provided completed financial assessment forms have been approved for at least partial financial assistance 16% of those patients approved for financial assistance were bad debt transfers We find it unreasonable to apply either of these percentages to our bad debt population as there are many additional variables that must be considered Our Vice President of Patient Financial Services conservatively estimates that 60% of total bad debt expense was assumed attributable to patients potentially eligible for financial assistance

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

Part III, Line 8 Medicare allowable costs were reported using JMH's filed Medicare Cost Report (C/R) The C/R uses a cost to charge ratio based on a step down method In caring for the patient, there are several services that are considered non-allowable such as transportation of a patient, comfort items to include a television, magazines, or a telephone Additional non-allowable costs include the recruitment of physicians, physician guarantees and a portion of the Bad Debt (30%) associated with the care of the patient Medicare losses, including some non-allowable costs, should be counted as a community benefit as this is the cost of care for serving the aging population As a not-for-profit organization, we exist to identify and respond to the health care needs of the community and the individual while maintaining a high level of health care services without losses Since losses do occur through the CMS system of reimbursement, these losses are a cost of doing business for our community and should be considered a community benefit As a participating provider in the Medicare program, JMH is required to provide the full regimen of care for our Medicare population There are a number of care regimens that are compensated by the Medicare program at levels below our cost Therefore it is only logical to allow MSHA to report these uncompensated services as a community benefit on this document By making this change, non-profit providers will be encouraged to sustain important care delivery models for our aging population in spite of the fact it is sometimes economically injurious

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

Part III, Line 9b JMH follows a strong collection program that communicates financial responsibility to the patient In routine circumstances when it is determined that a patient has not responded to requests for payment and has not provided information to ascertain ability to pay, an account can be referred to an outside collection agency for collection assistance JMH ensures that outside collection agencies follow hospital billing and collection guidelines Once a delinquent patient account has been submitted to an outside collection agency, it can be retracted if it is later determined that the patient is eligible for financial assistance All requests for financial assistance must be accompanied by a completed financial assessment form and supporting documentation

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

Part VI, Line 2 JMH is a member of Mountain States Health Alliance (MSHA) During fiscal year 2008 and fiscal year 2009, MSHA conducted the largest community health needs assessment in its history in an effort to profile the health of the residents within the local region The assessment focused on state, regional, and county specific data collection This assessment also included primary data collected through approximately 50 one-on-one interviews Those interviewed were individuals from around the region which included local and state government officials, health department representatives, physicians, general public, local industry, civic organizations, education officials, and community resource groups This information was collected, then analyzed, and a summary of the findings was listed in an effort to obtain a more detailed snapshot specific to each county located throughout the MSHA service area This information was reviewed by MSHA's Strategic Planning team, Government Relations, and Quality departments The MSHA Steering Committee identified obesity as the health disparity targeted for improvement, including the community served by JMH During fiscal year 2009, MSHA began collaborative efforts with East Tennessee State University's College of Public Health to develop the MSHA-ETSU Obesity Collaborative Committee The focus of this committee is to pull together many partners and organizations in collaboration to reduce the level of childhood obesity throughout Northeast Tennessee and Southwest Virginia During FY10, the committee offered 25 seed grants of \$2,000 each to local community organizations such as churches, community groups, schools, and employers that want to explore obesity reduction efforts In addition to the grants program, an annual symposium is provided free to the region National, regional, and local experts share information on trends regarding childhood obesity and proven community-based strategies to reduce the prevalence This arrangement calls for MSHA to provide the initial funding, while ETSU works on research efforts

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Part VI, Line 3 JMH provides communication of financial assistance on its website and on posters located in prominent areas of the hospital such as Admitting areas and the Emergency Department Printed educational materials including financial assistance contact information are also provided in each patient's paperwork Admitting staff are trained to educate patients on JMH's financial assistance policy JMH also has financial counselors to provide further information and assistance to JMH patients regarding JMH's financial assistance policy These counselors also help uninsured patients determine sources of payment for medical bills and help patients determine eligibility for programs such as Medicaid In addition, JMH contracts with the company MedAssist to work with self-paying patients who have limited financial resources MedAssist determines a patient's eligibility in medical coverage options and assists with their enrollment

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

Part VI, Line 7 JMH is majority owned by Mountain States Health Alliance (MSHA) based in Johnson City, Tennessee MSHA is integrated both vertically and horizontally and is the largest regional healthcare system with 14 hospitals MSHA provides care to people in 29 counties in Tennessee, Virginia, Kentucky, and North Carolina NCH serves as the county's primary health service provider Patients benefit from JMH's affiliation with a healthcare system where they can be efficiently moved along an integrated, comprehensive continuum of care as their health status dictates Patients can be moved to the system's flagship facility - Johnson City Medical Center which is a tertiary care facility providing advanced treatment options

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Johnston Memorial Hospital Inc

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

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

OMB No 1545-0047

2009

Open to Public
Inspection

Employer identification number
54-0544705

Part I

General Information on Grants and Assistance

1

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

☒ Yes ☐ No

2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BARTER THEatrePO BOX 867 ABINGDON, VA 24212	546000120	501(c)(3)	20,000				general donation
VA Foundation for Community College Education101 N 14th Street 15 Floor Richmond, VA 23219	237004354	501(C)(3)	10,000				general donation
William King MuseumPO Box 2256 AbingDON, VA 24210	541144120	501(c)(3)	8,000				Support for the Center for Art and Cultural Heritage
Washington County Life Saving Crew Inc237 Park Street SE AbingDON, VA 24210	541103215	501(c)(3)		6,211	FMV	Donation medical supplies	To restock EMS vehicles
Abingdon Ambulance Service611 Campus Drive Suite 600 Abingdon, VA 24210	541061835	501(c)(3)		5,469	FMV	Donation medical supplies	To restock EMS Vehicles
Advance AbingdonPO Box 1537 ABINGDON, VA 24212	260873176	501(c)(3)	5,000				general donation
American Cancer Society-WashingtonPO Box 246 ABINGDON, VA 24212	237040934	501(c)(3)	5,000				general donation

2

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

7

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
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 THE ORGANIZATION HAS GUIDELINES IN PLACE THAT ARE TO BE USED IN REVIEWING THE ELIGIBILITY OF GRANTEES ALL GRANTS REQUIRE WRITTEN DOCUMENTATION AND APPROPRIATE LEVELS OF APPROVAL

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Johnston Memorial Hospital Inc	Employer identification number 54-0544705
--	--

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		
<input type="checkbox"/> First-class or charter travel		
<input checked="" type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> 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	1b Yes	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2 Yes	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
<input type="checkbox"/> Compensation committee		
<input checked="" type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment?	4a	No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	5a	No
b Any related organization?	5b	No
If "Yes," to line 5a or 5b, describe in Part III		
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?	6a	No
b Any related organization?	6b	No
If "Yes," to line 6a or 6b, describe in Part III		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7 Yes	
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Paul armstrong md	(i)	0	0	0	0	0	0	0
	(ii)	324,002	45,610	0	13,403	8,159	391,174	0
Ann Fleming	(i)	0	0	0	0	0	0	0
	(ii)	294,561	110,625	22,005	39,321	20,156	486,668	0
Laramie Triplett MD	(i)	0	0	0	0	0	0	0
	(ii)	189,220	0	0	4,635	0	193,855	0
William Walker MD	(i)	0	0	0	0	0	0	0
	(ii)	549,042	27,765	1,179	0	1,928	579,914	0
Sean S McMurray	(i)	77,198	0	0	0	0	77,198	0
	(ii)	170,694	0	4,505	16,028	7,296	198,523	0
Timothy G Evans	(i)	47,372	0	0	0	0	47,372	0
	(ii)	104,083	0	7,708	5,646	3,611	121,048	0
Stephen K Givens	(i)	52,905	0	0	2,668	161	55,734	0
	(ii)	119,891	0	3,746	7,498	8,501	139,636	0
Stephen Blankenship MD	(i)	105,926	0	0	5,324	63	111,313	0
	(ii)	207,628	25,756	1,790	6,628	7,866	249,668	0
Gaoyong Zhu MD	(i)	104,824	0	0	5,244	161	110,229	0
	(ii)	145,471	35,918	731	5,262	2,917	190,299	0
Jennifer A Jonkers MD	(i)	101,750	0	0	5,115	63	106,928	0
	(ii)	131,980	35,918	1,720	5,262	9,294	184,174	0
John Ray MD	(i)	101,392	0	0	5,072	161	106,625	0
	(ii)	134,079	35,918	1,651	5,262	6,056	182,966	0
Damian Sooklal MD	(i)	102,650	0	0	5,158	105	107,913	0
	(ii)	140,376	35,918	1,223	5,262	7,318	190,097	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	JMH pays travel expenses for companions of Board members and executive staff during the annual Board retreat. An itemized list of expenditures is provided by the hosting resort to JMH for approval and subsequent payment. Expenses not incurred for bona fide business purposes are analyzed and reported as prescribed by applicable tax laws.
	Part I, Line 7	discretionary bonuses are provided to employees when applicable.

Additional Data

Software ID:

Software Version:

EIN: 54-0544705

Name: Johnston Memorial Hospital Inc

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493136048011

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization Johnston Memorial Hospital Inc	Employer identification number 54-0544705
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Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 3		the corporation contracted with mountain states health alliance, a 50 1% member, to perform management duties

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		the corporation is organized as a virginia non-stock, nonprofit organization with two members mountain states health alliance which maintains a 50 1% membership and johnston memorial healthcare foundation which maintains a 49 9% interest

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		mountain states health alliance's board of directors elects the members of the governing body for Jmh johnston memorial healthcare founation's board of directors elects the members of the governing body for jmh

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		certain decisions of the board of trustees such as, dissolution of the corporation, merger of the corporation, etc , are subject to approval by the membership Decisions relating to the ordinary course of business are not subject to member approval

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		the form 990, which was prepared by an independent accounting firm, was reviewed by financial management prior to filing Copies of the return were made available to the board trustees

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		annually, the audit and compliance department provides the policy and conflict of interest disclosure forms to all covered persons each person is required to provide a completed disclosure form, noting any conflicts of attesting they have "none", and return those to the audit and compliance department any notes disclosures are forwarded to the appropriate management or board personnel to evaluate and utilize when a transaction involving a conflicted person arises Additionally, personnel who have a conflict arise between the annual distribution of the policy and forms are required to disclose the conflict and would be disciplined in any instance where they have not disclosed and engage in a conflicted transaction

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		the compensation committee, which consists of the executive committee of the board of directors, obtains the services of an outside, independent compensation consultant to provide the committee with relevant market data from compensation surveys and with advice when the committee makes recommendations on pay and benefits for the ceo

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		the conflict of interest policy, in addition to other governing policies, is available upon request all corporate policies and corporate financial statements are also available upon request

Identifier	Return Reference	Explanation
Part XI, line 2c,	audit committee	The hospital's audit committee did not change either its oversight process or selection process during the tax year

Identifier	Return Reference	Explanation
form 990, part vii, section a,	trustee compensation	Hospital board of trustees members, Paul Armstrong, M d , Ann Fleming, William Walker, m d and Laramie Triplett, M d , have 990 reportable related compensation derived from services they provided to related organizations as employees They do not receive compensation for services as hospital board trustees In addition, hospital board of trustees member, Emory Robinette, M d , has 990 reportable compensation derived from medical services he provided to hospital He did not receive compensation for services as hospital board trustees

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Johnston Memorial Hospital Inc

Employer identification number
54-0544705

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
Abingdon Physician Partners 351 court street ne abingdon, VA 24210 20-5485346	medical services	VA	501(c)(3)	Line 11a, I	N/A
mountain states health alliance 400 n state of franklin road johnson city, TN 37604 62-0476282	hospital	TN	501(c)(3)	Line 3	N/A
dickenson community hospital PO Box 1440 hospital drive clintwood, VA 24228 77-0599553	hospital	VA	501(c)(3)	Line 3	N/A
smyth county community hospital 565 radio hill road marion, VA 24354 54-0794913	hospital	VA	501(c)(3)	Line 3	N/A
norton community hospital inc 100 15th street nw norton, VA 24273 54-0566029	hospital	VA	501(c)(3)	Line 3	N/A
johnston memorial healthcare foundation inc 351 court street ne abingdon, VA 24210 26-2870970	supporting organization	VA	501(c)(3)	Line 11b, II	N/A

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?	
							Yes	No		Yes	No
integrated solutions health network llc 400 n state of franklin rd johnson city, TN37604 62-1711997	investment company	TN	N/A								
emmaus community healthcare plc 6070 hwy 11e piney flats, TN37686 20-0577483	medical services	TN	N/A								

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, 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

Yes

No

No

Yes

No

Yes

Yes

No

Yes

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1) abingdon physician partners	B	3,519,671
(1) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

Schedule R (Form 990) 2009

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

[illegible]

Software ID:

Software Version:

EIN: 54-0544705

Name: Johnston Memorial Hospital Inc

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Abingdon Physician Partners 351 court street ne abingdon, VA 24210 20-5485346	medical services	VA	501(c)(3)	Line 11a, I	N/A
mountain states health alliance 400 n state of franklin road johnson city, TN 37604 62-0476282	hospital	TN	501(c)(3)	Line 3	N/A
dickenson community hospital PO Box 1440 hospital drive clintwood, VA 24228 77-0599553	hospital	VA	501(c)(3)	Line 3	N/A
smyth county community hospital 565 radio hill road marion, VA 24354 54-0794913	hospital	VA	501(c)(3)	Line 3	N/A
norton community hospital inc 100 15th street nw norton, VA 24273 54-0566029	hospital	VA	501(c)(3)	Line 3	N/A
johnston memorial healthcare foundation inc 351 court street ne abingdon, VA 24210 26-2870970	supporting organization	VA	501(c)(3)	Line 11b, II	N/A

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
community home care inc 1640 park avenue norton, VA 24273 54-1453810	medical products	VA	N/A	C			
community physician services corp 100 15th street nw norton, VA 24273 54-1641446	physician services	VA	N/A	C			
southwest community health services po box 880 marion, VA 24354 54-1460695	health services	VA	N/A	C			
blue ridge medical management corporation 1019 woakland avenue ste 207 johnson city, TN 37604 62-1490616	physician offices	TN	N/A	C			
mediserve medical equip of kingsport 1021 w oakland avenue ste 103 johnson city, TN 37064 62-1212286	durable medical equipment	TN	N/A	C			
mountain states properties 1021 w oakland avenue ste 207 johnson city, TN 37604 62-1845895	property management	TN	N/A	C			
blue ridge physician group 1019 woakland avenue ste 5 johnson city, TN 37604 62-1700412	healthcare services	TN	N/A	C			
southwest virginia health network inc 351 north court street abingdon, VA 24210 54-1717927	healthcare services	VA	N/A	C	158,892	321,045	100 000 %

Additional Data

Software ID:

Software Version:

EIN: 54-0544705

Name: Johnston Memorial Hospital Inc

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
barbara allen trustee	1 00	X						0	0	0
Paul armstrong md trustee	1 00	X						0	369,612	21,562
otey dudley board vice-president	1 00	X						0	0	0
W Hugh Ferguson board secretary	1 00	X						0	0	0
Ann Fleming trustee/MSHA SVP	1 00	X						0	427,191	59,477
J Thomas Fowlkes board president	1 00	X						0	0	0
Don Jeanes trustee	1 00	X						0	0	0
Karl Kindig trustee	1 00	X						0	0	0
Brendan Mcsheehy trustee	1 00	X						0	0	0
emory robinette MD trustee	1 00	X						15,000	0	0
Mary Russell trustee	1 00	X						0	0	0
Mike Spiegler board treasurer	1 00	X						0	0	0
Laramie Triplett MD trustee	1 00	X						0	189,220	4,635
William Walker MD trustee	1 00	X						0	577,986	1,928
Chris Walters trustee	1 00	X						0	0	0
Sean S McMurray Chief Executive Officer	55 00			X				77,198	175,199	23,324
Timothy G Evans Chief Financial Officer	55 00			X				47,372	111,791	9,257
Stephen K Givens Chief Operating Officer	55 00			X				52,905	123,637	18,828
Karen Pennington Chief Nursing Officer	55 00			X				40,137	88,475	10,916
Stephen Blankenship MD ER Physician	55 00					X		105,926	235,174	19,881
Gaoyong Zhu MD Internist	55 00					X		104,824	182,120	13,584
Jennifer A Jonkers MD Pediatric Specialist	55 00					X		101,750	169,618	19,734
John Ray MD Hospitalist	55 00					X		101,392	171,648	16,551
Damian Sooklal MD Hospitalist	55 00					X		102,650	177,517	17,843

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

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MEDICAL SUPPLIES & DRUG	20,287,464	20,287,464		
Repairs & Maintenance	2,727,672	2,693,666	34,006	
Other	1,475,162	146,929	1,328,233	
Bad Debt	905,997	905,997		
Retention and Recruitme	132,003	132,003		