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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

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
PAULDING MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
805 Sandy Plains Road

City or town, state or country, and ZIP + 4
Marietta, GA 300666340

D Employer identification number
58-2095884

E Telephone number
(770) 792-5023

G Gross receipts $ 75,885,244

F Name and address of principal officer
A JAMES BUDZINSKI
805 Sandy Plains Road
Marietta, GA 300666340

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

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ www wellstar org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1993 | **M** State of legal domicile GA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
To deliver world-class charitable healthcare

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of employees (Part V, line 2a)	5	535
6	Total number of volunteers (estimate if necessary)	6	85
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	671,615	889,511
9	Program service revenue (Part VIII, line 2g)	54,664,190	64,682,449
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-355,158	1,182,350
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	380,177	389,982
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	55,360,824	67,144,292
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	20,517,980	25,156,709
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	35,057,477	39,837,899
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	55,575,457	64,994,608
19	Revenue less expenses Subtract line 18 from line 12	-214,633	2,149,684
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	37,627,994	41,006,415
21	Total liabilities (Part X, line 26)	20,244,938	21,345,031
22	Net assets or fund balances Subtract line 21 from line 20	17,383,056	19,661,384

Part II Signature Block

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

Sign Here

▶ Signature of officer — Date: 2011-05-16

▶ JAMES M SWARTZ VP, ACCOUNTING & TREASURY
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-empolyed ▶ ☐	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PricewaterhouseCoopers LLP 2001 MARKET ST SUITE 1700 PHILADELPHIA, PA 19103			EIN ▶ Phone no ▶ (267) 330-3000

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

TO CREATE AND DELIVER HIGH QUALITY HOSPITAL, PHYSICIAN AND OTHER HEALTHCARE RELATED SERVICES THAT IMPROVE THE HEALTH AND WELL-BEING OF THE INDIVIDUALS AND COMMUNITIES WE SERVE

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 56,408,776 including grants of $) (Revenue $ 64,682,449)

Paulding Medical Center, Inc (an affiliate of Wellstar Health System, Inc) operates as a charitable organization consistent with the requirements of IRS Section 501 (c) (3) and the "community benefit standard of IRS Revenue Ruling 69-545 In this regard, the governing body of the organization and/or its parent is composed of prominent citizens in the community, medical staff privileges in the hospital are available to all qualified physicians in the area, consistent with the size and nature of the facility, the hospital operates a full-time emergency room open to all regardless of ability to pay, the hospital provides care to needy members of its community consistent with its charity care policy regardless of their ability to pay for these services, and the hospitals excess funds are generally applied to expansion and replacement of existing facilities and equipment, amortization of indebtedness, improvement in patient care, community benefit activities, and charity care Paulding had $6 0 million in capital expenditures disbursed during the tax period reviewed Wellstar Paulding Hospital is a general acute care hospital providing a full range of services to the community The hospital is licensed to operate 83 beds and is presently staffed to operate 34 beds Paulding Medical Center, Inc was organized in 1994 In 1994 Northwest Georgia Health System helped form the PROMINA Health System and changed its name to Promina Northwest Health System In 1998 Promina Northwest changed its name to Wellstar Health System Paulding Medical Center is subject to the authority and governing board of Wellstar Health System and the Paulding County Hospital Authority Paulding Hospital provides a full range of inpatient and outpatient services characteristic of a community hospital Paulding Nursing Home is located on the campus of the hospital and functions as part of the full range of health services provided to the community The nursing home provides skilled long-term nursing care to persons requiring those services by reason of age or physical impairment The nursing home is the only such facility in the Wellstar system The following stats consitute the overall program services provided for the period ended June 30, 2010 Adult Discharges 1,951 Nursing Facility Days 64,255 Medical & Surgical Short Stay Days 604 Emergency Room Visits- 36,755 Outpatient Surgical Cases - 1,290 Inpatient Surgical Cases - 235 Outpatient Procedures Non ED OP Radiology 25,975 (35% increase from prior year) GI Laboratory - 465 Total FTEs Paid - 416 Community Benefit Reporting Community Outreach (incl system generated allocation) $218,162 Unreimbursed Charity Care (at cost) $2,242,963 Medical Shortfalls (at cost) $1,442,942 As an affiliate of Wellstar Health System, Paulding Hospital participates in many community and educational programs for the overall health and benefit of the area that they serve Accomplishments and Awards The Paulding Nursing Home provides both subacute and long term care services to patients in the community Since the nursing home is one of very few in the area and located on the medical complex campus it is very crucial to an ever expanding service area Paulding Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) The parent company, Wellstar Health System, was again honored as one of the top 100 health systems in the country by Verispan The system was ranked at #9 as listed in the magazine, "Modern Healthcare", and is the highest ranked system in the state All of Wellstar hospital laboratories including Paulding were awarded "Accreditation with Distinction" by the Commission on Laboratory Accreditation of the College of American Pathologists (CAP) CAP awards are considered one of the most stringent in laboratory quality assurance in the industry Wellstar Health System ranks in the Top 20 of the Working Mother 100 Best Companies List Wellstar Paulding Imaging Center opened in November 2008 with the first truly high-field open MRI in Georgia This system allows clinical excellence and comfort for all patients especially the elderly This center allows local residents a more convenient location for physician and imaging procedures The new imaging center later won an award at the Annual American Society of Interior Designers Wellstar ranked number 13 in Atlanta's Top 25 Employers by the publication "Atlanta Business Chronicle" Wellstar was recognized as a "Company that Cares" for 2009-2010 which was the third year in a row the system was honored The system began participating in Terrific Tales, a Company that Cares sponsored literacy project Several Wellstar hospitals took on the challenge of purchasing quality books for local elementary school libraries in underserved areas Paulding Hospital adopted a local school(Poole Elementary) and helped the system raise funds to purchase books for that and other local schools Paulding Hospital and Nursing Home embraced the senior community it serves by celebrating National Older People's Month The hospital had activities that helped honor the seniors with events and educational sessions More than 100 people attended Wellstar East Paulding Primary Care's Diabetes Community Health Fair during the year This fair attempted to identify local residents at risk for this disease Wellstar Health System was named to the AARP National Employer Team for its commitment to recruiting older employees Wellstar also has several partnerships with local colleges to provide clinical training for nursing and therapy students to compliment their classroom curriculum in those areas One of Wellstar's own, Cecilia Byers, was honored by the Governor of Georgia as the Biomedical Engineer of the Year The award recognized her commitment to education, professional integrity and community involvement Ms Byers serves the biomedical needs at Paulding, Douglas, Cobb and Windy Hill hospitals and other Wellstar entities She helps mentor Chattahoochee Technical School students in an internship at Wellstar as well as a local high school Magnet program in Cobb County and Paulding County schools Paulding Hospital instituted a recycling program which resulted in 40,000 pounds (20 tons) of recycled material 7,600 gallons of oil saved 60 cubic yards of landfill space saved 80,000 kilowatts of energy saved 140,000 gallons of water saved and 8,000 pounds of plastic recycled Paulding Hospital was recognized by VHA, Inc for sustaining impressive clinical results VHA "blueprinted" the hospital's practices in reducing ventilator-associated penumonia and central line catheter-related blood stream infections to zero These practices were then made available to other VHA member hospitals Wellstar plans to build a new state-of-the-art 100 bed general acute care hospital in Paulding County to replace the current facility Paulding County is one of the fastest growing counties in not only the state by across the country which makes this endeavor even more crucial for the community

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

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

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

4e **Total program service expenses** ▶ $ 56,408,776

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, line10? *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? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — Yes / No: **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
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		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? *If "Yes," complete Schedule R, Part VI*	**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, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	**1a**	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	**1c**			
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	535		
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**		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	**3a**			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	**3b**			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	**4a**			No
b	If "Yes," enter the name of the foreign country ▶ _____ See 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	18		
b	Enter the number of voting members that are independent	1b	14		
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	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4	Yes	
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 ▶ GA

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

JAMES M SWARTZ
805 SANDY PLAINS ROAD
Marietta, GA 300666340
(770) 792-5393

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

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

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

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

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

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

(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			
See add'l data										

1b Total . . . . . ▶	723,665	11,626,884	1,020,487

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 ▶ 17

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		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
Brasfield Gorrie 1990 Vaughn Rd NW Suite 100 MARIETTA, GA 30144	General Contractor	236,251
HKS Inc PO BOX 731121 DALLAS, TX 753731121	General Contractor	551,254
Clark Ambulance Service Inc PO Box 1789 DALLAS, GA 30132	Medical Service	175,654
Surgical Operational Service 505 Commerce Park Drive Suite G MARIETTA, GA 30060	SUPPLY CONSULTING	143,185
CDH Partners 675 Tower Rd MARIETTA, GA 30060	General Contractor	118,018

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 ▶ 8

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	889,511			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		889,511			
Program Service Revenue			Business Code				
	2a	HOSPITAL PATIENT REVENUE	621,990	64,682,380	64,682,380		
	b	MEDICAL RECORDS	621,990	69	69		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		64,682,449			
	3	Investment income (including dividends, interest and other similar amounts)		514,453			514,453
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross Rents	25,608				
	b	Less rental expenses					
	c	Rental income or (loss)	25,608				
	d	Net rental income or (loss)		25,608			25,608
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	9,408,849				
	b	Less cost or other basis and sales expenses	8,740,952				
	c	Gain or (loss)	667,897				
	d	Net gain or (loss)		667,897			667,897
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	GROUND LEASE REVENUE	532,000	16,000			16,000
	b	CAFETERIA	722,210	181,557			181,557
	c	IMMUNIZATIONS	621,990	15,994			15,994
	d	All other revenue		150,823			150,823
	e	**Total.** Add lines 11a–11d		364,374			
	12	**Total revenue.** See Instructions		67,144,292	64,682,449	0	1,572,332

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	0			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	380,221	320,298	59,923	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	19,977,246	16,829,764	3,147,482	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,436,977	1,210,509	226,468	0
9 Other employee benefits	1,875,599	1,580,005	295,594	0
10 Payroll taxes	1,486,666	1,252,368	234,298	0
11 Fees for services (non-employees)				
a Management	0			
b Legal	22	0	22	0
c Accounting	0			
d Lobbying	0			
e Professional fundraising *See Part IV, line 17*	0			
f Investment management fees	0			
g Other	935,243	866,636	68,607	0
12 Advertising and promotion	337	31	306	0
13 Office expenses	6,282,750	6,086,125	196,625	0
14 Information technology	0			
15 Royalties	0			
16 Occupancy	1,226,410	466,731	759,679	0
17 Travel	50,018	26,841	23,177	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	50,129	11,565	38,564	0
20 Interest	108,882		108,882	0
21 Payments to affiliates	9,143,245	7,702,270	1,440,975	0
22 Depreciation, depletion, and amortization	2,617,238	1,655,768	961,470	0
23 Insurance	691,294	0	691,294	0
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 REPAIRS & MAINTENANCE	913,078	580,612	332,466	
b BAD DEBT	17,040,120	17,040,120		
c OTHER OPERATING EXPENSE	779,133	779,133		
d				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	64,994,608	56,408,776	8,585,832	0
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1,500	1	1,550
	2	Savings and temporary cash investments		1,353,257	2	848,845
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		5,424,458	4	4,752,999
	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			7	
	8	Inventories for sale or use		768,745	8	1,073,473
	9	Prepaid expenses and deferred charges		524,185	9	783,154
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 50,082,853			
	b	Less accumulated depreciation	10b 26,753,690	20,401,082	10c	23,329,163
	11	Investments—publicly traded securities		8,334,113	11	9,242,968
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		820,654	15	974,263
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		37,627,994	16	41,006,415
Liabilities	17	Accounts payable and accrued expenses		7,152,200	17	7,468,587
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,340,887	23	420,321
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		11,751,851	25	13,456,123
	26	**Total liabilities.** Add lines 17 through 25		20,244,938	26	21,345,031
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		17,383,056	27	19,661,384
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		17,383,056	33	19,661,384
	34	Total liabilities and net assets/fund balances		37,627,994	34	41,006,415

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		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	3b		

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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
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

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 331/3% 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 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
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 III Support 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
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶

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

Additional Data

Software ID:
Software Version:
EIN: 58-2095884
Name: PAULDING MEDICAL CENTER 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			
Randall Bentley Board Member Vice Chair	1 0	X						0	16,471	0
Robert N Cross MD Board Member	1 0	X						0	4,767	0
TE Durham Board Member	1 0	X						0	34,715	2,135
Thomas E Gearhard MD Board Member	1 0	X						0	320,689	31,087
David Hafner MD Board Member	1 0	X						0	15,651	0
Charles J Jones Board Member	1 0	X						0	12,635	0
Connie Kirk Board Member	1 0	X						0	4,195	0
Janie Maddox Board Member	1 0	X						0	4,884	0
Gary A Miller Board Member	1 0	X						0	2,609	0
Steven W Oweida MD Board Member, Chair	1 0	X						0	17,488	0
Tom Phillips Board Member	1 0	X						0	2,774	0
Walter G Robinson Board Member	1 0	X						0	3,372	0
Ronald P Roper MD Board Member	1 0	X						0	9,713	0
W Allen Separk Board Member	1 0	X						0	7,230	0
Kessel D Stelling Board Member	1 0	X						0	1,252	0
Jeffery Tharp MD Board Member	1 0	X						0	374,975	32,823
Ken Thigpen Board Member	1 0	X						0	10,151	0
Robert G Warner MD Board Member	1 0	X						0	3,581	0
Charles Pete Wood Board Member	1 0	X						0	12,025	0
A James Budzinski Exec VP and CFO	2 0			X				0	542,322	42,617
Gregory L Simone MD President and CEO	2 0			X				0	1,127,407	76,939
Bonnie Wilson Exec VP and General Counsel	2 0			X				0	564,617	45,500
David Anderson Exec VP HR/OL/CCO	2 0			X				0	500,879	38,389
Donald Campbell MD SrVP & Medical Director	2 0			X				0	392,181	31,906
Barbara B Corey Sr VP Managed Care	2 0			X				0	354,487	28,277

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			
Bruce Dean VP & Asst Gen Counsel	2 0			X				0	231,199	23,450
Marcia Delk MD Sr VP Medical Affairs & CQO	2 0			X				0	420,898	41,645
K Darold Etheridge VP Finance	2 0			X				0	257,321	24,944
Lee Evins VP Revenue Cycle Mgmt	2 0			X				0	237,160	22,440
T Mark Haney Sr VP Bus Devlop & Hosp Admin	25 0			X				0	348,007	32,214
Patrick Jansen VP Cardiac Services	2 0			X				0	233,543	19,687
Christopher Kane Sr VP Strategic Planning	2 0			X				0	361,179	32,046
Kenneth Kunze MD Sr VP and Chief Med Officer	2 0			X				0	497,872	35,952
Lou Little Sr VP Post Acute & Hosp Admin	2 0			X				0	290,248	31,176
Kimberly Menefee Sr VP Public Affairs & Gov Rel	2 0			X				0	322,123	28,095
Ronald Strachan Sr VP & CIO	2 0			X				0	398,320	34,634
ROBERT MANDLER VP Diagnostic Outreach	2 0			X				0	235,075	21,295
MICHAEL GRAUE EXEC VP COO	2 0			X				0	658,068	49,874
JONATHAN MORRIS VP & Chief Med Info Officer	2 0			X				0	148,980	12,644
ELLEN LANGFORD VP & COO PHY GRP	2 0			X				0	188,974	17,817
Anthony M Trupiano VP Supply Chain	2 0			X				0	233,753	17,874
Robin Wilson MD VP Medical Management	2 0			X				0	154,726	13,389
Joseph L Brywcznski Sr VP Health Parks Admin	2 0			X				0	0	0
Elizabeth A Hoffmann VP Budget & Analysis	2 0			X				0	0	0
Richard T Lopes MD Sr VP & Pres Wellstar Phy Grp	2 0			X				0	0	0
James M Swartz VP Accounting	2 0			X				0	0	0
Mary L Wesley Sr VP Nursing Services & CNE	2 0			X				0	0	0
John Law Asst VP Operations	50 0					X		168,785	0	18,361
Andrea M Parson Dir Pharmacy	50 0					X		136,778	0	17,929
Carol S O'Connell Exec Dir/Admin Long Term Care	50 0					X		121,887	0	12,808

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			
Vicky Lynn Hogue AVP CNO Patient Care Srvs	50 0					X		176,150	0	20,156
Bolan Dreher Pharmacist	50 0					X		120,065	0	14,266
Marsha Burke Former Exec VP and CFO	1 0						X	0	550,796	43,614
Linda A Clark Exec VP and COO	1 0						X	0	402,300	24,741
Bruce Harrison Sr VP and CAO	2 0						X	0	378,334	34,449
Nancy Kemp VP Medical Management	1 0						X	0	226,912	13,955
Teresa Ray Sr VP Nursing & CNE	1 0						X	0	322,133	19,811
Andrew Tatnall Sr VP Operations	1 0						X	0	187,893	11,548

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c 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		2,986,659		2,986,659
b Buildings		14,902,121	9,660,471	5,241,650
c Leasehold improvements		354,662	263,059	91,603
d Equipment		23,474,725	16,830,160	6,644,565
e Other		8,364,686		8,364,686
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				23,329,163

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

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

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

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

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

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
ACCRUED PENSION LIABILITY	6,519,253
OTHER LT LIABILITIES (ARO)	586,300
OTHER LT LIABILITIES (ALLOCATE	91,206
UNCLAIMED PROPERTY (ALLOCATED)	40,613
ASSET RETIREMENT OBLIGATION LT	169,600
INSURANCE RESERVE	414,067
TAX EXEMPT BOND LIAB-DUE TO WHS	5,635,084
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	13,456,123

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

Part XI Reconciliation of Change in Net Assets from Form 990 to 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
SCH D PART X, LINE 2-LIABILITIES		The following footnote is taken from the audited financial statements for Wellstar Health System and Affiliates (including Paulding Medical Center) "WellStar and all but one of its affiliates have been recognized as exempt from Federal income tax under Internal Revenue Code Section 501(a) as organizations described in Section Sec 501(c)(3) and, therefore, related income is generally not subject to Federal or state income taxes CAC is a controlled foreign corporation not subject to Federal tax WellStar applies FASB ASC 740, Income Taxes, which addresses accounting for uncertainties in income tax positions It also provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions are determined There is no impact on WellStar's combined financial statements as a result of the application of ASC 740 "

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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
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

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 ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other 125 %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			2,242,962		2,242,962	4 710 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			4,775,942	3,333,000	1,442,942	3 030 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			7,018,904	3,333,000	3,685,904	7 740 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			86,177		86,177	0 180 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			86,177		86,177	0 180 %
k **Total.** Add lines 7d and 7j			7,105,081	3,333,000	3,772,081	7 920 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes		
2	Enter the amount of the organization's bad debt expense (at cost)	2	4,733,057		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	61,296		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	9,347,405		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	12,527,615		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-3,180,210		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Wellstar Paulding Hospital 600 West Memorial Drive Dallas, GA 300666340	X	X					X		Skilled Nursing Home

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

See additional data

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

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 communites served

See additional data

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

Additional Data

Software ID:
Software Version:
EIN: 58-2095884
Name: PAULDING MEDICAL CENTER INC

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

Paulding Medical Center, Inc is an affiliate of Wellstar Health System, Inc and as such is included in the consolidated Community Benefit Report that is annually issued to members of the five county service areas located in the northwest area of the state of Georgia This report addresses the services and accomplishments of the entire health system for the reporting period This information is also made a part of the annual Georgia Hospital Association report of community benefit along with other hospitals and healthcare systems throughout the state

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

Wellstar Health System (including Paulding Medical Center, Inc) has elected to use the cost to charge ratio from our FY2009 Hospital Financial Survey filed with the state of Georgia This cost to charge ratio reconciles with the community benefit reporting done both internally in the system and with our annual published community benefit report which is distributed to the Wellstar service areas as well as reported to the Georgia Hospital Association The $3 8 million in net community benefit represents 7 9% of total operating expenses (less bad debt) As part of the IRS ruling 69-545 for community benefit and a requirement of charitable organizations under IRS code Section 501 (c) this represents the commitment of the hospital and healthcare system to providing care to the needy members of the community consistent with its charity care policy regardless of their ability to pay for those services

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

The percentage of net community benefit to total expenses from Form 990, Part IX, Line 25, column (A) is documented on Schedule H, Part 1, line 7, column (f) for each charity, means tested government programs and other community benefits However we have adjusted the amount of total expenses ($64,994,608) by subtracting the bad debt expense of $17,040,120 for the calculation and subsequent percentage

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

In the audited financial statements for WellStar Health System and Affiliates for the reporting period there is not a specific footnote related to bad debt expense but the following notes are mentioned "The preparation of financial statements in conformity with US generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenue, and expenses, as well as disclosure of contingent assets and liabilities Actual results could differ from those estimates Significant items subject to such estimates and assumptions include the determination of the allowances for uncollectible accounts and contractual adjustments " Also regarding net patient service revenue the audited statements note the following "Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews and investigations " Certain accounts with unrealizable amounts are deemed uncollectible and written off as bad debt And as patient accounts navigate throughout the collection process some of those accounts are classified as bad debt as it appears it is less likely that the bill will be paid Some of those accounts will subsequently be determined to have qualified or currently qualify for charity or other financial assistance Some patients will not provide the necessary paperwork to meet these qualifications Other patients will be reluctant or unresponsive to the request for information because of their particular situation such as a victim of crime or an undocumented alien While the percentage of these type of patients is not substantial we have determined that there is a portion (approximately 1 2%) that would have been counted in the community benefit totals if they had been more cooperative Generally speaking however, Wellstar and its affiliaties do not treat the majority of bad debt accounts as uncompensated care

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

The Medicare shortfall reported on line 7 is similar in some ways to the Medicaid shortfall from Part I of Schedule H Medicare shortfalls generally represent the uncompensated difference between the expected reimbursement and the Medicare charges stated at cost The costing methodology to determine the amounts reported on line 6 of part III comes from the annual Medicare cost report filed for the hospital

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

The policy written for collection practices at all Wellstar Health System entities incorporates guidelines for personnel in the admissions and patient access areas to be trained in identifying those patients that might qualify for charity care or other financial assistance Since it is the policy of Wellstar hospitals to treat any and all patients regardless of their ability to pay especially in the hospital emergency rooms, efforts are made to provide at least one employee or contractor at all times to assist patients in the necessary paperwork to qualify for charity care or governmental assistance programs This assistance often extends even after the initial visit as the collection process continues

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

Wellstar Paulding Hospital is a general acute care hospital providing a full range of services It is licensed to operate 83 beds by the State of Georgia but is staffed to operate 34 beds The hospital is located on a 50-acre campus in Dallas, Georgia in a complex of commercial buildings containing approximately 230,000 square feet The original hospital was built in 1958 and since that time has seen at least five major structural additions and renovations A new state of the art hospital is planned to replace this facility in the next few years

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

Wellstar (and its affiliated hospitals) is a key stakeholder in MAPP, Mobilizing for Action through Planning and Partnerships MAPP, developed by the National Association of County and City Health Officials (NACCHO) in collaboration with the CDC, provides a structured guidance on creating and implementing a community-wide strategic planning process focused on improving the health and safety of our population Through MAPP, a broad coalition of community partners and residents come together to identify and prioritize health and safety issues and to identify resources for addressing them The process results in an actionable Community Health Improvement Plan (CHIP) for measurable improvements in the community's health and quality of life as well as a scorecard for implementation and evaluation The resulting community plan does not focus on one agency or community health challenge, rather, MAPP provides a long-term strategy that addresses the multiple factors that affect health in the community Community involvement throughout the creation and implementation of a health improvement plan results in creative solutions to community health problems with an improved focus on priorities, reduced duplication of services, increased collaboration on projects and activities, and increased capacity to garner additional resources Moreover, continuous community involvement leads to community ownership of the process Community ownership, in turn, increases the credibility and sustainability of the health improvement efforts

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

Paulding Hospital is a provider for both Medicare and Medicaid beneficiaries As such, the hospital provides patients with financial counselors who are trained to assist them in all of the programs offered by the system including governmental programs, uncompensation programs, payment plans, charity discounts, and other programs These financial counselors are well versed in the eligibility for the traditional Medicare and Medicaid program including SSI Disability through the Medicare Special programs through the state Medicaid program for expectant mothers and children are presented as options to obtain payment for needed medical care Indigent and charity eligible patients are offered assistance through the hospital's Charity and Indigent Care Policy which includes funds through the state's Indigent Care Trust Fund If the patient has no other insurance and fails to qualify for indigent care the financial counselor can then offer the patient an opportunity to accept a payment plan with discounted payment options based on their ability to pay immediately or over time All patients are afforded these options and opportunities

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

Paulding Hospital is one of five hospitals that are affiliated with the parent corporation, Wellstar Health System The primary service area of the system is located in the northwest Georgia area and receives the majority and is expected to receive the majority of its patients from one of the following five counties--Bartow, Cherokee, Cobb, Douglas and Paulding-generally about 85% to 90% While these counties are in the metropolitan Atlanta area (or border on the metro area) they are in some of the fastest growing areas in the entire country The system has therefore expanded to bring many services to the geographic area that previously were not available except in the Atlanta community Economically the region is strong in per capita income but as in may areas of the country the system has seen an increase in the unemployment numbers and thus an increase in the uninsured and indigent population for the patients it serves The system remains positioned to meet the changing needs of the community

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

As stated in the Wellstar Health System and Affiliates Audited Financial Statements for the period ending June 30, 2010, Paulding Medical Center (an affiliate of Wellstar Health System, Inc) operates as a charitable organization consistent with the requirements of Internal Revenue Code Section 501 (c) (3) and the "community benefit standard" of IRS Ruling 69-545 In this regard the governing body of the organization and/or it parent is composed of prominent citizens in the community, medical staff privileges in the hospital are available to all qualified physicians in the area consistent with the size and nature of the facility, the hospital operates a full-time emergency room open to all regardless of ability to pay, the hospital provides care to the needy members of the community consistent with its charity care policy regardless of their ability to pay for these services The hospital's excess funds are generally applied to expansion and replacement of existing facilities and equipment, amortization of indebtedness, improvement of patient care, community benefit activities, and charity care Paulding Hospital committed approximately $6 0 million in capital expenditures for the year to meet the technology and program needs of the community it serves

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☑ First-class or charter travel ☑ Housing allowance or residence for personal use ☑ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☑ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		No
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 ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		
	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 accured 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				
See Additional Data Table							

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
SEVERANCE BENEFITS	SCHEDULE J	PURSUANT TO THEIR RESPECTIVE EMPLOYMENT AGREEMENTS, THE FOLLOWING OFFICERS ARE ENTITLED TO SERVERANCE PAYMENTS BASED ON THEIR BASE SALARY AND WAGES AT THAT TIME IN THE EVENT OF CERTAIN IDENTIFIED CIRCUMSTANCES OFFICER -----SEVERENCE BENEFIT PERIOD ---------- DAVID W ANDERSON 24 MONTHS DONALD H CAMPBELL 18 MONTHS LINDA C CLARK 24 MONTHS RANDY COOK 12 MONTHS BARBARA B COREY 18 MONTHS MARCIA L DELK, M D 18 MONTHS DAROLD ETHERIDGE 12 MONTHS LEE EVINS 12 MONTHS T MARK HANEY 18 MONTHS BRUCE HARRISON 12 MONTHS NANCY KEMP 12 MONTHS JOHN LAW 12 MONTHS LOU LITTLE 18 MONTHS KIMBERLY W MENEFEE 18 MONTHS TAREY RAY 18 MONTHS ANDY TATNALL 18 MONTHS LEIGH COX 12 MONTHS BONNIE L WILSON 24 MONTHS MARSHA BURKE 24 MONTHS GREGORY L SIMONE 24 MONTHS CHRISTOPHER KANE 18 MONTHS RON STRACHAN 12 MONTHS CANDICE SAUNDERS 18 MONTHS JIM BUDZINSKI 18 MONTHS MIKE GRAUE 18 MONTHS ROBERT HAMILTON 12 MONTHS ROBERT JANSEN 12 MONTHS ELLEN LANGFORD 12 MONTHS KENNETH KUNZE, MD 18 MONTHS ROBERT MANDLER 12 MONTHS JONATHAN MORRIS 12 MONTHS ANTHONY TRUPIANO 12 MONTHS ROBIN WILSON, MD 12 MONTHS JOSEPH BRYWCZYNSKI 18 MONTHS ELIZABETH HOFFMAN 12 MONTHS RICHARD LOPES, MD 18 MONTHS JAMES SWARTZ 12 MONTHS MARY WESLEY 18 MONTHS During the year, the following individuals received a payout in the amounts listed in accordance with their severance agreements as set forth above MARSHA BURKE $362,882 LINDA CLARK $236,146 LEIGH COX $144,000 NANCY KEMP $ 55,878 TERESA RAY $ 65,111
Non-Fixed Payments to Officers	Form 990 Schedule J Line 7	Wellstar has instituted an annual incentive plan for key leaders in the company On an annual basis performance measures are proposed by management and recommended and approved by the Compensation Committee of the Board The plan is designed to retain and reward leaders with incentives that keep them competitive with the market and comparable health systems The criteria used to measure the performance consists of weighted factors in the areas of financial performance, customer service, employee engagement and quality indicators Upon successful acheivement in various targeted levels for each factor an overall performance measurement is developed for each individual Based on that measurement a performance payout is recommended and approved by the Board of Trustees after the annual financial audit is completed
Other Compensation	Form 990, Schedule J, Part 1B & 2	While Wellstar Health System and its affiliates do not have a written policy regarding payment or reimbursement fo the items listed in Part 1 Line 1a, the organization follows IRS guidelines in the payment of any of these items to individuals listed in Form 990 Part VII Section A
Compensation Exceptions		On Schedule J of IRS Form 990 the following individuals were employed by Wellstar Health System, Inc as officers during the fiscal year reporting period but had no salary and benefits reported during the calendar year for which this schedule applies Joseph L Brywczynski Elizabeth A Hoffmann Richard T Lopes MD James M Swartz Mary L Wesley

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 58-2095884
Name: PAULDING MEDICAL CENTER INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
Thomas E Gearhard MD	(I)	0	0	0	0	0	0	0
	(II)	277,415	0	43,274	0	0	320,689	0
Jeffery Tharp MD	(I)	0	0	0	0	0	0	0
	(II)	252,457	0	122,518	0	0	374,975	0
A James Budzinski	(I)	0	0	0	0	0	0	0
	(II)	420,659	108,651	13,012	38,425	4,192	584,939	0
Marsha Burke	(I)	0	0	0	0	0	0	0
	(II)	550,796	0	0	39,033	4,581	594,410	0
Linda A Clark	(I)	0	0	0	0	0	0	0
	(II)	402,300	0	0	24,741	0	427,041	0
Gregory L Simone MD	(I)	0	0	0	0	0	0	0
	(II)	809,466	302,279	15,662	73,802	3,137	1,204,346	0
Bonnie Wilson	(I)	0	0	0	0	0	0	0
	(II)	417,321	134,446	12,850	39,687	5,813	610,117	0
David Anderson	(I)	0	0	0	0	0	0	0
	(II)	368,147	120,049	12,683	35,424	2,965	539,268	0
Donald Campbell MD	(I)	0	0	0	0	0	0	0
	(II)	295,414	85,967	10,800	28,784	3,122	424,087	0
Barbara B Corey	(I)	0	0	0	0	0	0	0
	(II)	263,238	80,299	10,950	26,777	1,500	382,764	0
Bruce Dean	(I)	0	0	0	0	0	0	0
	(II)	191,680	30,424	9,095	18,417	5,033	254,649	0
Marcia Delk MD	(I)	0	0	0	0	0	0	0
	(II)	316,598	92,972	11,328	31,275	10,370	462,543	0
K Darold Etheridge	(I)	0	0	0	0	0	0	0
	(II)	186,959	55,161	15,201	20,084	4,860	282,265	0
Lee Evins	(I)	0	0	0	0	0	0	0
	(II)	171,405	39,268	26,487	18,665	3,775	259,600	0
T Mark Haney	(I)	0	0	0	0	0	0	0
	(II)	242,031	91,501	14,475	26,541	5,673	380,221	0
Bruce Harrison	(I)	0	0	0	0	0	0	0
	(II)	278,872	87,392	12,070	28,459	5,990	412,783	0
Patrick Jansen	(I)	0	0	0	0	0	0	0
	(II)	178,558	27,979	27,006	18,097	1,590	253,230	0
Christopher Kane	(I)	0	0	0	0	0	0	0
	(II)	288,428	60,926	11,825	27,233	4,813	393,225	0
Nancy Kemp	(I)	0	0	0	0	0	0	0
	(II)	166,656	11,166	49,090	13,955	0	240,867	0
Kenneth Kunze MD	(I)	0	0	0	0	0	0	0
	(II)	405,444	80,238	12,190	35,410	542	533,824	0
Lou Little	(I)	0	0	0	0	0	0	0
	(II)	210,372	68,687	11,189	23,133	8,043	321,424	0
Kimberly Menefee	(I)	0	0	0	0	0	0	0
	(II)	235,766	74,822	11,535	24,820	3,275	350,218	0
Teresa Ray	(I)	0	0	0	0	0	0	0
	(II)	218,400	18,610	85,123	19,811	0	341,944	0
Ronald Strachan	(I)	0	0	0	0	0	0	0
	(II)	270,123	57,603	70,594	28,407	6,227	432,954	0
Andrew Tatnall	(I)	0	0	0	0	0	0	0
	(II)	147,670	11,584	28,639	11,548	0	199,441	0
John Law	(I)	131,170	28,865	8,750	13,172	5,189	187,146	0
	(II)	0	0	0	0	0	0	0
Andrea M Parson	(I)	125,617	11,011	150	10,924	7,005	154,707	0
	(II)	0	0	0	0	0	0	0
Vicky Lynn Hogue	(I)	143,660	23,765	8,725	13,881	6,275	196,306	0
	(II)	0	0	0	0	0	0	0
ROBERT MANDLER	(I)	0	0	0	0	0	0	0
	(II)	183,917	27,811	23,347	18,020	3,275	256,370	0
MICHAEL GRAUE	(I)	0	0	0	0	0	0	0
	(II)	492,184	88,589	77,295	45,369	4,505	707,942	0
JONATHAN MORRIS	(I)	0	0	0	0	0	0	0
	(II)	116,750	25,000	7,230	11,056	1,588	161,624	0
ELLEN LANGFORD	(I)	0	0	0	0	0	0	0
	(II)	153,885	26,364	8,725	15,558	2,259	206,791	144,223
Anthony M Trupiano	(I)	0	0	0	0	0	0	0
	(II)	185,075	11,541	37,137	17,874	0	251,627	0
Robin Wilson MD	(I)	0	0	0	0	0	0	0
	(II)	120,878	0	33,848	9,717	3,672	168,115	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
PAMELA ETHERIDGE	WIFE OF OFFICER	51,723	WELLSTAR EMPLOYEE		No
GREG FORTGANG	SON-IN-LAW OF BD MEMBER	88,813	WELLSTAR EMPLOYEE		No
GEORGE FLEMING	BROTHER OF OFFICER	56,575	WELLSTAR EMPLOYEE		No
AMY SIMONE	DAUGHTER OF OFFICER	88,061	WELLSTAR EMPLOYEE		No
MATTHEW MADDOX	SON OF BOARD MEMBER	36,500	WELLSTAR EMPLOYEE		No
BONNIE MILLER	WIFE OF BOARD MEMBER	26,996	WELLSTAR EMPLOYEE		No

Additional Data

Software ID:
Software Version:
EIN: 58-2095884
Name: PAULDING MEDICAL CENTER INC

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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
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

Identifier	Return Reference	Explanation
Tax Compliance 990T Explanation	Part V Line 3a & b UBIT	Paulding Medical Center, Inc had no unrelated business income for the reporting period but is filing a 990-T to supplement discovery of that income in future periods

Identifier	Return Reference	Explanation
Conflict of Interest Policy	Part VI Policies Line 12a, b & c	Our Conflict of Interest Policy requires all covered persons to annually review the policy and complete, sign and return the conflicts of interest survey and attestation to the Compliance Office The policy requires an on-going disclosure obligation in the event a conflict arises during the year The following is our process to regularly and consistently monitor and enforce the policy Compliance identifies all covered persons who must complete the Survey and Attestation Compliance verifies that the survey and attestation is distributed to these persons Compliance verifies that these persons return a fully completed and signed survey and attestation Compliance reviews each completed and signed survey to identify all conflicts listed in the document All conflicts, potential conflicts and incidences of non-compliance are referred to the Chief Compliance Officer The CCO takes appropriate action to completely resolve all identified conflicts and incidences of non-compliance

Identifier	Return Reference	Explanation
Process for Determining Executive Compensation	Part VI Section B Policies Line 15A & B	Wellstar engages the Hay Group to work with the governing board to review and recommend executive compensation The executive compensation process at Wellstar is overseen by a committee of independent trustees, which follows a board-approved executive compensation philosophy The current members of the Wellstar committee are Kessel Stelling Chair Pete Wood Janie Maddox Al Separk Board Chairman Ex Officio CEO Ex Officio In committtee discussions about the compensation for the Chief Executive Officer, the CEO will recuse himself from that process but is a non-voting committee member for discussions on all other officers The executive compensation philosophy empowers the committee to oversee the executive compensation process and administer the executive compensation program on behalf of the full board of trustee of Wellstar, provided, however, the full Board of Trustees evaluates and approves the compensation of the Chief Executive Officer The philosophy requires annual disclosure of the committee's actions and decisions to the full board, which it has done The committee is guided by the board-approved philosophy Overall, the philosophy is intended to reward for organizational and individual performance When performance is at a predetermined targeted level, the compensation is intended to be at or around the median of compensation paid to similar positions at similar organizations (the "market") Wellstar's executive compensation philosophy defines the market as being comprised of comparable not-for-profit health care delivery systems, i e , not-for-profit organizations similar in complexity and scale to Wellstar To assist the committee in fulfilling its duties, the committee engaged the Hay Group to provide market compensation data to compare to the Wellstar positions whose compensation the committee oversees The committee uses this data to provide context when making decisions in administering the compensation program Accurate minutes of the committee's discussion and decisions are recorded during each committee meeting, and reviewed and approved at the following committee meeting

Identifier	Return Reference	Explanation
Consolidated Financial Statements	Form 990 Part IV Line 12 & Part XI Line 2b	Paulding Medical Center, Inc is audited on an annual basis as part of the consolidated financial statement audit of Wellstar Health System, Inc and its Affiliates

Identifier	Return Reference	Explanation
Tax-Exempt Bonds Allocation	Form 990 Part IV Line 24a & Part X	For purposes of the Form 990 reporting, Wellstar Health System, Inc EIN 58-1649541 will list all tax-exempt bonds issued since January 1, 2003 on Schedule K as it typically allocates the proceeds of the bonds to members of the Obligated Group (including the hospitals and physician group) Paulding Medical Center, Inc will report this tax exempt bond liability on Part X, Line 25 Other Liabilities Paulding Medical Center, Inc has also restated its beginning balance sheet with respect to tax exempt bond liabilities as the amounts allocated to tax exempt bond liabilities are now included on Line 25

Identifier	Return Reference	Explanation
Compensation Reported on Form 990	Form 990 Part X Lines 5-10 & Schedule J, J-1 & J-2	All compensation amounts reported on Form 990 Part IX Lines 5-10 and Schedules J, J-I & J-2 represent compensation provided to individuals that provide services to Paulding Medical Center, Inc Likewise the number of employees reported on Part V Line 2a represent the number of individuals providing services to the organization All Federal Employment Tax responsibilities for those individuals are handled by Wellstar Health System, Inc (EIN 58-1649541)

Identifier	Return Reference	Explanation
Organizational Structure	Form 990 Part VI Section A Lines 6, 7a & 7b	As per the articles of incorporation, the sole member of the organization is Wellstar Health System, Inc , a GA nonprofit corporation As sole member, Wellstar Health System holds certain powers of election an approval in connection with the governing body of the organization These powers are presented in detail in the governing documents which the company makes available to the public upon request

Identifier	Return Reference	Explanation
Form 990 Copy to Board of Directors	Form 990 Part VI Line 11A	Internal staff prepare the organization's Form 990 Before filing the return with the Internal Revenue Service an external accounting firm, PricewaterhouseCoopers reviews and sign-offs on the completed return This reviewed form is then made available to both the organization's Finance committee of the Board of Trustees as well as the full board in the form of an electronic (pdf format) version and hard copy of the return The organization's CFO subsequently signs the return for either manual or electronic filing by the appropriate due date

Identifier	Return Reference	Explanation
Officers Hours Worked	Form 990 General Statement & Schedule J	The officers devote their time to all of the organizations with Wellstar Health System that are listed in Schedule R, Part II As such, the total hours worked by the officers across all of the organizations exceeds 40 hours per week

Identifier	Return Reference	Explanation
Current Officers/Directors Relationships	FORM 990 PART VI, SECTION A LINE 2	Two of the current officers and directors for Wellstar Health System, Inc --EIN 58-1649541 are related to each other through family Lou Little, Sr VP Post Acute Services and Administrator of Windy Hill Hospital is the brother-in-law of Gregory Simone, President and CEO for the system

Identifier	Return Reference	Explanation
Disclosure of Financial Documents	FORM 990 PART VI SECTION C Line 19	The organization and its subsidiaries are subject to the Open Records Law in the State of Georgia Therefore, by law, citizens are permitted to inspect and copy its governing documents, policies and financial statements as may be requested from time to time Additionally, the organization's Form 990 is made readily available on the Guidestar website Periodically, the organization publishes its financial performance in the local newspaper for citizens to review, and it also publishes a community benefit report once a year for distribution to the public

Identifier	Return Reference	Explanation
Bylaws Changes	Form 990, Line VI, Line 4	On June 17, 2010, the Wellstar Health System and its affiliates amended its bylaws to address the manner of election and terms of office for members of the Board of Trustees The Chair appoints a Governance Committee consisting of three (3) or more Trustees for purposes of recommending nominations Nominations are voted upon by the full Board and each Trustee is appointed to serve terms of three years, although the Board can establish a shorter term at the time of election Each Trustee may serve a "Term Limit" of not more than four (4) consecutive terms of three years To provide continuity on the Board, there is established a methodology of rotation off the Board for the 18 existing Trustees effective June 30, 2010 One Trustee will rotate off the Board in year one, two Trustees will rotate off the Board in year two, one Trustee will rotate off the Board in year three, and continuing for all remaining positions until all Trustees have expired terms or elect to leave the Board At the end of the "term limit" the Trustee may be re-elected after a one year absence from the Board

Identifier	Return Reference	Explanation
Compensation	Form 990, Part V, Line 2	All compensation amounts reported on Form 990 Part V, Part VII, and Part IX as well as Schedule J represent compensation provided to individuals that provide services to the organization Likewise, the number of employees reported on Form 990 represent the number of individuals providing services to the organization All Federal employment tax responsibilities for these individuals (including Federal Employment Tax reporting responsibilities) are handled by Wellstar Health System, Inc (EIN 58-1649541)

Identifier	Return Reference	Explanation
SCHEDULE L PART IV TRANSACTIONS WITH INTERESTED PARTIES		Several transactions with interested parties of Paulding Medical Center Inc all fall below the $100,000 threshold in business transactions

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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
PAULDING MEDICAL CENTER INC

Employer identification number
58-2095884

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
CHS Foundation 805 Sandy Plains Road Marietta, GA 30066 58-1649540	Foundation	GA	501(c)(3)	11	NA
Cobb Hospital Inc 805 Sandy Plains Road Marietta, GA 30066 58-0968382	Healthcare	GA	501(c)(3)	3	NA
Douglas Hospital Inc 805 Sandy Plains Road Marietta, GA 30066 58-2026750	Healthcare	GA	501(c)(3)	3	NA
Kennestone Hospital Inc 805 Sandy Plains Road Marietta, GA 30066 58-2032904	Healthcare	GA	501(c)(3)	3	NA
Wellstar Foundation 805 Sandy Plains Road Marietta, GA 30066 58-1627413	Foundation	GA	501(c)(3)	11	NA
Wellstar Health System 805 Sandy Plains Road Marietta, GA 30066 58-1649541	Healthcare	GA	501(c)(3)	3	NA

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No
Cobb Hospital Parking Company LLC 805 Sandy Plains Road Marietta, GA300666340 75-2999669	Parking	GA	NA	INVESTMENT	41,418	840,467		No			No
Kennestone East Parking Deck LLC 805 Sandy Plains Road Marietta, GA300666340 20-0537100	Parking	GA	NA	INVESTMENT	193,986	1,887,789		No			No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Community Assurance Co 3rd Fl Barclays House Shedden Rd George Town, Grand Cayman, BWI CJ 58-1649541	Insurance	CJ	WHS Inc	C	0	72,634,317	100 000 %

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

		Yes	No
1	During the tax year, did the orgranization 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	**1a**	**No**
b	Gift, grant, or capital contribution to other organization(s)	**1b**	**No**
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**No**
d	Loans or loan guarantees to or for other organization(s)	**1d**	**No**
e	Loans or loan guarantees by other organization(s)	**1e**	**No**
f	Sale of assets to other organization(s)	**1f**	**No**
g	Purchase of assets from other organization(s)	**1g**	**No**
h	Exchange of assets	**1h**	**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**No**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**No**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**	**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**No**
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**No**
n	Sharing of paid employees	**1n**	**No**
o	Reimbursement paid to other organization for expenses	**1o**	**No**
p	Reimbursement paid by other organization for expenses	**1p**	**No**
q	Other transfer of cash or property to other organization(s)	**1q**	**No**
r	Other transfer of cash or property from other organization(s)	**1r**	**No**

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

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

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

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

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

Additional Data

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Software ID:
Software Version:
EIN: 58-2095884
Name: PAULDING MEDICAL CENTER 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
CHS Foundation 805 Sandy Plains Road Marietta, GA 30066 58-1649540	Foundation	GA	501(c)(3)	11	NA
Cobb Hospital Inc 805 Sandy Plains Road Marietta, GA 30066 58-0968382	Healthcare	GA	501(c)(3)	3	NA
Douglas Hospital Inc 805 Sandy Plains Road Marietta, GA 30066 58-2026750	Healthcare	GA	501(c)(3)	3	NA
Kennestone Hospital Inc 805 Sandy Plains Road Marietta, GA 30066 58-2032904	Healthcare	GA	501(c)(3)	3	NA
Wellstar Foundation 805 Sandy Plains Road Marietta, GA 30066 58-1627413	Foundation	GA	501(c)(3)	11	NA
Wellstar Health System 805 Sandy Plains Road Marietta, GA 30066 58-1649541	Healthcare	GA	501(c)(3)	3	NA