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

<b>A</b> For the <b>2009</b> calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010		<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		<b>C</b> Name of organization WILLMONT HAWKINS COUNTY MEMORIAL HOSPITAL INC Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 1905 AMERICAN WAY City or town, state or country, and ZIP + 4 KINGSPORT, TN 37660		<b>D</b> Employer identification number 62-1816368 <b>E</b> Telephone number (423) 230-8200 <b>G</b> Gross receipts \$ 21,286,025	
		<b>F</b> Name and address of principal officer TODD J DOUGAN 1905 AMERICAN WAY KINGSPORT, TN 37660		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number			
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>J</b> Website: WWW.WELLMONT.ORG					
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		<b>L</b> Year of formation 2000		<b>M</b> State of legal domicile TN			

Part I		Summary		
Activities & Governance	<b>1</b>	Briefly describe the organization's mission or most significant activities WE DELIVER SUPERIOR HEALTH CARE WITH COMPASSION		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b> _____	
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b> _____	
	<b>5</b>	Total number of employees (Part V, line 2a) . . . . .	<b>5</b> _____ 24	
	<b>6</b>	Total number of volunteers (estimate if necessary) . . . . .	<b>6</b> _____ 1	
	<b>7a</b>	Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b> _____	
	<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b> _____	
Revenue	<b>8</b>	Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b>	Program service revenue (Part VIII, line 2g) . . . . .	46,555	72,797
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	22,996,897	21,052,188
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,724	-21,259
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	194,860	150,057
			23,244,036	21,253,783
Expenses	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	2,590	27,892
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	8,815,266	9,029,299
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	12,683,968	10,567,524
	<b>18</b>	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	21,501,824	19,624,715
	<b>19</b>	Revenue less expenses Subtract line 18 from line 12 . . . . .	1,742,212	1,629,068
Net Assets or Fund Balances			<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b>	Total assets (Part X, line 16) . . . . .	13,404,945	8,533,957
	<b>21</b>	Total liabilities (Part X, line 26) . . . . .	1,316,974	1,571,680
	<b>22</b>	Net assets or fund balances Subtract line 21 from line 20 . . . . .	12,087,971	6,962,277

<b>Part II Signature Block</b>	
<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge
	<div> <div>*****</div> <div>Signature of officer</div> </div> <div> <div>2011-05-16</div> <div>Date</div> </div>
	<div> <div>TODD J DOUGAN SR VP OF FINANCE</div> <div>Type or print name and title</div> </div>
<b>Paid Preparer's Use Only</b>	<div> <div>Preparer's signature</div> <div>Date</div> <div> <div>Check if self-employed</div> <div><input checked="" type="checkbox"/></div> </div> <div>Preparer's identifying number (see instructions)</div> </div>
	<div> <div>Firm's name (or yours if self-employed), address, and ZIP + 4</div> <div> <div>KPMG LLP</div> <div>401 COMMERCE STREET SUITE 1000</div> <div>NASHVILLE, TN 372192422</div> </div> </div>
	<div> <div>EIN</div> <div>Phone no (615) 244-1602</div> </div>

**1** Briefly describe the organization's mission

WE DELIVER SUPERIOR HEALTH CARE WITH COMPASSION

**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 \$)	16,571,246	including grants of \$	27,892 ) (Revenue \$	21,052,188
		<p>WELLMONT HEALTH SYSTEM PREPARES A CONSOLIDATED COMMUNITY BENEFIT REPORT WHICH INCLUDES THE ACTIVITIES OF ALL ITS OPERATIONS AND AFFILIATES IN CONTRAST, AN IRS FORM 990 IS FILED FOR EACH TAX EXEMPT CORPORATION (6 SEPARATE FORM 990S) AND THERE IS NO SUCH IRS FORM FOR THE TAXABLE CORPORATIONS IN ADDITION, THE IRS INSTRUCTIONS TO FORM 990 HAVE SPECIFIC DEFINITIONS, METHODS AND WORKSHEETS TO CALCULATE THE COMMUNITY BENEFITS TO BE INCLUDED ON THE FORM 990 AS A RESULT, THERE ARE SIGNIFICANT DIFFERENCES BETWEEN THE COMMUNITY BENEFITS REPORTED IN THE CONSOLIDATED COMMUNITY BENEFIT REPORT AND THE VARIOUS FORM 990S FOR EXAMPLE, THERE ARE SIGNIFICANT LOSSES INCURRED IN THE TAXABLE CORPORATIONS THAT CANNOT BE REFLECTED IN THE VARIOUS FORM 990S, THE LARGEST OF WHICH ARE THE COSTS AND REVENUES ASSOCIATED WITH THE PHYSICIANS AND OTHER PROVIDERS WITHIN THESE CORPORATIONS WHO PROVIDE INDISPENSABLE SERVICES TO PATIENTS OF WELLMONT HEALTH SYSTEM THERE ARE ALSO FUNDS AND SERVICES THAT ARE PROVIDED THAT DO NOT MEET THE SPECIFIC DEFINITIONS OF THE IRS INSTRUCTIONS, SUCH AS CONTRIBUTIONS TO COMMUNITY ORGANIZATIONS THAT DO NOT MEET THE DEFINITION OF "RESTRICTED TO ONE OR MORE OF THE ACTIVITIES DESCRIBED IN THE TABLE IN PART I, LINE 7" OF SCHEDULE H WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IS A PUBLIC TRUST THIS HOSPITAL, LIKE THE OTHER WELLMONT HEALTH SYSTEM FACILITIES OF WHICH IT IS A MEMBER, WAS BORN OF ITS COMMUNITY'S COMMITMENT TO SUPERIOR HEALTH CARE FOR ITS CITIZENS IT IS OUR MISSION TO DELIVER SUPERIOR HEALTH CARE WITH COMPASSION TO THE PEOPLE WE SERVE IT IS OUR VISION TO DELIVER THE BEST HEALTH CARE ANYWHERE CONSISTENT WITH THIS MISSION, WE HAVE WORKED TOWARD IMPROVING OUR COMMUNITY'S ACCESS TO QUALITY, AFFORDABLE HEALTH CARE, EDUCATING OUR REGION'S CAREGIVERS, IMPROVING THE HEALTH STATUS OF OUR COMMUNITIES AND CONTRIBUTING TO THE OVERALL QUALITY OF LIFE IN THE AREAS WE SERVE OVERALL, WE RETURNED MORE THAN \$1,449,895 IN BENEFITS TO OUR COMMUNITY, INCLUDING \$1,436,509 OF UNREIMBURSED COSTS FOR INDIGENT AND MEDICAID PATIENTS AND \$13,386 FOR OTHER COMMUNITY ACTIVITIES WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IS A 50-BED FACILITY IN ROGERSVILLE, TENN WE PROVIDE A WIDE VARIETY OF SERVICES, INCLUDING EMERGENCY CARE, PHYSICAL AND OCCUPATIONAL THERAPIES, SURGERY, ORTHOPEDIC CARE, INTENSIVE CARE, OUTPATIENT SPECIALTY CLINICS, LABORATORY SERVICES, AUDIOLOGY SERVICES, CARDIOVASCULAR SERVICES, RESPIRATORY THERAPY, SLEEP EVALUATIONS AND TREATMENT, SPINE REHABILITATION SERVICES AND DIAGNOSTIC IMAGING IN 2010, WE PROVIDED SERVICES TO 2,349 PATIENTS IN A BED, WE HAD 30,096 OUTPATIENT ENCOUNTERS, AND WE PERFORMED 404 INPATIENT AND OUTPATIENT SURGICAL PROCEDURES WE ARE MINDFUL OF OUR RESPONSIBILITIES AS ONE OF ROGERSVILLE'S LARGEST COMPANIES HUNDREDS OF FAMILIES COUNT ON US FOR THEIR LIVELIHOODS OUR CITY RELIES ON US AS A DRIVER OF ECONOMIC DEVELOPMENT IT IS OUR DUTY AS A CORPORATE CITIZEN TO SUPPORT THOSE ENDEAVORS AND CAUSES THAT IMPROVE THE QUALITY OF LIFE IN OUR REGION AND WE ALSO RECOGNIZE IT IS OUR RESPONSIBILITY TO CARE FOR THOSE IN NEED - REGARDLESS OF THEIR ABILITY TO PAY IT IS OUR COMMITMENT - INDEED, IT IS OUR MISSION - TO SUPPORT THE CAUSES AND DEVELOP THE INITIATIVES THAT WILL PROPEL OUR COMMUNITY TOWARD A BETTER, BRIGHTER, HEALTHIER AND MORE VIBRANT FUTURE REGARDLESS OF RACE, RELIGION, ETHNICITY OR ABILITY TO PAY, WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL TREATS ALL PATIENTS FOR MEDICALLY NECESSARY CONDITIONS RECOGNIZING THAT SOME PATIENTS CANNOT AFFORD ESSENTIAL MEDICAL SERVICES, WE PROVIDED CARE FOR INDIGENT PATIENTS, WRITING OFF \$2,716,526 OF CHARGES AND INCURRING COST OF \$698,078 AND AS A RESPONSIBLE CORPORATE CITIZEN, WE AT WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL HONOR OUR OBLIGATION TO SUPPORT THE QUALITY OF LIFE IN OUR REGION OUR DIRECT DONATIONS TO AREA NOT-FOR-PROFIT ORGANIZATIONS TOTALED \$27,892 AND WERE MADE TO ORGANIZATIONS INCLUDING THE ROGERSVILLE AREA CHAMBER OF COMMERCE, ROGERSVILLE CITY SCHOOL SYSTEM, CHEROKEE HIGH SCHOOL, ROTARY CLUB OF ROGERSVILLE, BOYS &amp; GIRLS CLUB OF HAWKINS COUNTY, SEQUOYAH COUNCIL OF THE BOY SCOUTS OF AMERICA, AND THE HANCOCK COUNTY SCHOOL SYSTEM WE SUPPORT AND ENCOURAGE OUR EMPLOYEES TO GIVE THEIR TIME TO AREA NOT-FOR-PROFIT ORGANIZATIONS, WHICH INCLUDED THE AMERICAN HEART ASSOCIATION, AMERICAN CANCER SOCIETY, VARIOUS UNITED WAY AGENCIES AND THE ROGERSVILLE AREA CHAMBER OF COMMERCE AND ITS PROGRAMS MANY OF OUR EMPLOYEES ALSO SERVE IN COMMUNITY RESCUE SQUADS WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL WILL NOT SUCCEED IN OUR MISSION WITHOUT CONTINUALLY REINVESTING IN OUR MOST PRECIOUS RESOURCE - OUR PEOPLE TO THAT END, WE PROVIDED ON-THE-JOB TRAINING TO NURSING CANDIDATES AT A DIRECT COST OF \$7,880 THIS PROGRAM UTILIZES NURSING STAFF THAT HAVE COMPLETED A DEGREE BUT NOT YET PASSED BOARD CERTIFICATION THIS PROVIDES INVALUABLE EXPERIENCE FOR NEW NURSES, WHO ARE SUPERVISED BY BOARD CERTIFIED NURSES DURING THIS TIME OTHER EDUCATIONAL PROGRAMS WERE PROVIDED TO HEALTH PROFESSIONALS FOR CONTINUING MEDICAL EDUCATION AT A DIRECT COST OF \$1,110 THE HOSPITAL ALSO PROVIDES BENEFIT TO AREA HIGH SCHOOL ATHLETES BY SUBSIDIZING THE SPORTS MEDICINE PROGRAM AT CHEROKEE HIGH SCHOOL IN ROGERSVILLE, TENN WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL PAYS FOR 50 PERCENT OF THE SALARY AND MILEAGE OF A STAFF PHYSICAL THERAPIST BASED AT THE SCHOOL</p>				

[illegible][illegible]

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

<b>4e</b>	<b>Total program service expenses</b>	<b>\$ 16,571,246</b>
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Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable . . . . .	1a32		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return . . . . .	2a243		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions) . . . . .	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	3a		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: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts . . . . .			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? . . . . .	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	6b		
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>			
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	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> 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	<b>Sponsoring organizations maintaining donor advised funds.</b>			
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	<b>Section 501(c)(7) organizations.</b> 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	<b>Section 501(c)(12) organizations.</b> 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	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> 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	3	
b	Enter the number of voting members that are independent . . .	1b	0	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . .	5		No
6	Does the organization have members or stockholders? . . . . .	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b		No
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▶TN
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ TODD J DOUGAN 1905 AMERICAN WAY KINGSPORT, TN 37660 (423) 230-8512

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			
FRED PELLE PRESIDENT/CEO	38.0	X		X				230,062	12,108	23,593
DALE POE CFO	38.0	X		X				128,959	6,787	22,965
GARY MILLER SECRETARY	1.0	X		X				0	260,312	25,437
MICHAEL SNOW CHAIRMAN (7/01/09-2/28/2010)	1.0	X		X				0	719,633	25,078
TRUMAN ESMOND TREASURER (7/01/09-01/04/10)	1.0	X		X				0	286,614	0
ELIZABETH WARD TREAS/PRES (1/4/10 - 6/30/10)	1.0	X		X				0	0	0
MICHAEL BUNDY TREASURER (3/01/09-6/30/2010)	1.0	X		X				0	267,286	26,843
SHERRI IVES VP OF PATIENT CARE SERVICES	40.0					X		121,677	0	17,893
GARY COLLINS CRNA	40.0					X		158,836	0	8,920
MARVIN POWERS CRNA	40.0					X		157,639	0	16,320
BRIAN TURNER CRNA	40.0					X		156,531	0	20,049
GEORGIA SHUCK PHARMACIST	40.0					X		111,775	0	3,707



1b	Total	1,065,479	1,552,740	190,805
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶10

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
UT SURGICAL ASSOCIATES 1437 WEST MORRIS BLVD MORRISTOWN, TN 37813	MEDICAL SERVICES	350,000
MCOT INC 1905 AMERICAN WAY KINGSPORT, TN 37660	COLLECTION AGENCY	151,080

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 ▶2

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	12,651					
	e	Government grants (contributions)	1e	60,146					
	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 . . . . .			72,797				
Program Service Revenue			Business Code						
	2a	PATIENT CARE REVENUE	621,990	21,017,248	21,017,248				
	b	PHYSICAL THERAPY REVENUE	624,100	34,940	34,940				
	c								
	d								
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f . . . . .			21,052,188				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		1,512			1,512		
	4	Income from investment of tax-exempt bond proceeds . . .		0					
	5	Royalties . . . . .		0					
	6a	Gross Rents	(i) Real	(ii) Personal					
			18,538						
			9,471						
			9,067						
	b	Less rental expenses							
	c	Rental income or (loss)							
	d	Net rental income or (loss) . . . . .		9,067			9,067		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
				0					
				22,771					
				-22,771					
	b	Less cost or other basis and sales expenses							
	c	Gain or (loss)							
	d	Net gain or (loss) . . . . .		-22,771			-22,771		
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a						
			b	Less direct expenses . . . . .					
			c	Net income or (loss) from fundraising events . . .		0			
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a						
			b	Less direct expenses . . . . .					
			c	Net income or (loss) from gaming activities . . .		0			
10a	Gross sales of inventory, less returns and allowances . . . . .	a							
		b	Less cost of goods sold . . . . .						
		c	Net income or (loss) from sales of inventory . . .		0				
Miscellaneous Revenue		Business Code							
11a	MEDICAL RECORDS FEES	561,000	583			583			
b	CAFETERIA/VENDING REVENUE	722,210	83,854			83,854			
c	MISCELLANEOUS REVENUE	900,099	56,553			56,553			
d	All other revenue . . . . .								
e	Total. Add lines 11a-11d . . . . .			140,990					
12	Total revenue. See Instructions . . . . .			21,253,783	21,052,188		128,798		

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	27,892	27,892		
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 . . . . .	385,936		385,936	
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	6,799,958	6,581,920	218,038	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	201,180	125,578	75,602	
9	Other employee benefits . . . . .	1,041,248	1,032,846	8,402	
10	Payroll taxes . . . . .	600,977	569,092	31,885	
11	Fees for services (non-employees)				
a	Management . . . . .	6,187	6,187		
b	Legal . . . . .	1,200		1,200	
c	Accounting . . . . .	0			
d	Lobbying . . . . .	0			
e	Professional fundraising See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	0			
g	Other . . . . .	4,968,222	2,939,575	2,028,647	
12	Advertising and promotion . . . . .	19,028		19,028	
13	Office expenses . . . . .	1,971,673	1,791,079	180,594	
14	Information technology . . . . .	0			
15	Royalties . . . . .	0			
16	Occupancy . . . . .	939,854	935,349	4,505	
17	Travel . . . . .	30,613	23,160	7,453	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	0			
20	Interest . . . . .	117,242	117,242		
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	743,597	706,417	37,180	
23	Insurance . . . . .	141,162	141,162		
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	PROVISION FOR BAD DEBTS	1,543,178	1,543,178		
b	MISCELLANEOUS EXPENSES	85,568	30,569	54,999	
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	19,624,715	16,571,246	3,053,469	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			68,304	1	54,120
	2	Savings and temporary cash investments . . . . .				2	
	3	Pledges and grants receivable, net . . . . .				3	
	4	Accounts receivable, net . . . . .			7,594,318	4	2,311,800
	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 . . . . .			351,416	8	392,796
	9	Prepaid expenses and deferred charges . . . . .			71,883	9	52,921
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D . . . . .	10a	13,222,279			
	b	Less accumulated depreciation . . . . .	10b	8,400,788	5,319,024	10c	4,821,491
	11	Investments—publicly traded securities . . . . .				11	
	12	Investments—other securities. See Part IV, line 11 . . . . .				12	
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .				14	
	15	Other assets. See Part IV, line 11 . . . . .			0	15	900,829
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			13,404,945	16	8,533,957
Liabilities	17	Accounts payable and accrued expenses . . . . .			1,005,341	17	1,097,282
	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 . . . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .			311,633	25	474,398
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			1,316,974	26	1,571,680
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>						
	27	Unrestricted net assets . . . . .			12,087,971	27	6,962,277
	28	Temporarily restricted net assets . . . . .				28	
	29	Permanently restricted net assets . . . . .				29	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>						
	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	<b>Total net assets or fund balances</b> . . . . .			12,087,971	33	6,962,277
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .			13,404,945	34	8,533,957

**Part XI**    **Financial Statements and Reporting**

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

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization  
WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

Employer identification number  
62-1816368

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
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

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**  
WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

**Employer identification number**  
  
62-1816368

Part I

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

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

Part II

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

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

Part III

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

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

Part III

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

3

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

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

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

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii) related organizations . . . . .

3a(ii)

☐

☐

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 . . . . .		30,500		30,500
b Buildings . . . . .		7,292,927	3,665,955	3,626,972
c Leasehold improvements . . . . .				
d Equipment . . . . .		5,569,012	4,527,253	1,041,759
e Other . . . . .		329,840	207,580	122,260
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				4,821,491



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
ASC TOPIC 740 (FIN 48) DISCLOSURE	SCHEDULE D, PART X, LINE 2	ON JULY 1, 2007, WELLMONT ADOPTED NEW GUIDANCE ISSUED ON THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAX POSITIONS CODIFIED INTO ASC TOPIC 740. 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 WAS NO IMPACT ON WELLMONT'S CONSOLIDATED FINANCIAL STATEMENTS AS A RESULT OF THE ADOPTION OF THE NEW GUIDANCE.

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**  
WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

**Employer identification number**  
62-1816368

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2) . . . .			698,078		698,078	3 860 %
b Unreimbursed Medicaid (from Worksheet 3, column a) . . . .			4,026,811	3,288,380	738,431	4 080 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b) . . . . .						
d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .			4,724,889	3,288,380	1,436,509	7 940 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .						
f Health professions education (from Worksheet 5) . . . .			8,990		8,990	0 050 %
g Subsidized health services (from Worksheet 6) . . . .						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8) . . . .			4,396		4,396	0 020 %
j <b>Total</b> Other Benefits . . . .			13,386		13,386	0 070 %
k <b>Total.</b> Add lines 7d and 7j . . . .			4,738,275	3,288,380	1,449,895	8 010 %

Part IICommunity Building Activities

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

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .	1	No
2	Enter the amount of the organization's bad debt expense (at cost) . . . . .	2	396,557
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy . . . . .	3	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME) . . . . .	5	4,993,827
6	Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	4,297,058
7	Subtract line 6 from line 5. This is the surplus or (shortfall) . . . . .	7	696,769
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy? . . . . .	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 IVManagement Companies and Joint Ventures

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

[illegible]



Part VI

Supplemental Information

Complete this part to provide the following information

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

See additional data

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

See additional data

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

WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL (WHCMH) PROACTIVELY INFORMS PATIENTS OF THE FINANCIAL ASSISTANCE POLICY BY POSTING THE POLICY ON ITS WEB SITE AS WELL AS POSTING THE POLICY AT POINTS OF REGISTRATION IN THE HOSPITALS WHCMH USES PROGRAM ELIGIBILITY SPECIALISTS WHO CONTACT THE UNINSURED PATIENT POPULATION THESE SPECIALISTS DISCUSS THE VARIOUS GOVERNMENTAL ASSISTANCE PROGRAMS THAT ARE AVAILABLE TO PATIENTS IN ORDER TO DETERMINE IF THE PATIENT WOULD QUALIFY FOR ANY OF THESE PROGRAMS THE SPECIALISTS WILL WORK WITH THE PATIENTS TO COMPLETE ANY NECESSARY APPLICATIONS AND WILL HELP THEM THROUGH THE QUALIFICATION PROCESS

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

WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL'S PRIMARY SERVICE AREA IS HAWKINS AND HANCOCK COUNTIES OF TENNESSEE WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IS THE ONLY HOSPITAL IN HAWKINS COUNTY AND ITS SISTER FACILITY, HANCOCK COUNTY HOSPITAL, IS THE ONLY HOSPITAL IN HANCOCK COUNTY THE DEMOGRAPHICS OF THESE COUNTIES ARE AS FOLLOWS HAWKINS - POPULATION 55,420, MEDIAN HOUSEHOLD INCOME \$34,630 HANCOCK - POPULATION 6,074, MEDIAN HOUSEHOLD INCOME \$39,794 APPROXIMATELY 23.1% OF OUR PATIENTS ARE MEDICAID RECIPIENTS AND 11.0% ARE UNINSURED AND HAWKINS COUNTY IS DESIGNATED AS A MEDICALLY UNDERSERVED AREA

- 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.)

See additional data

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

See additional data

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

TN

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

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

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

OMB No 1545-0047

2009

Open to Public  
Inspection

Name of the organization  
WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

Employer identification number  
62-1816368

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

- 2

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

▶
- 3

Enter total number of other organizations . . . . .

▶



Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL INC

Employer identification number

62-1816368

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
FRED PELLE	(i)	185,163	36,400	8,499	10,028	12,385	252,475	0
	(ii)	9,745	1,916	447	528	652	13,288	0
DALE POE	(i)	113,437	4,750	10,772	6,403	15,414	150,776	0
	(ii)	5,970	250	567	337	811	7,935	0
GARY COLLINS	(i)	156,308	523	2,005	0	8,920	167,756	0
	(ii)	0	0	0	0	0	0	0
MARVIN POWERS	(i)	156,923	523	193	3,880	12,440	173,959	0
	(ii)	0	0	0	0	0	0	0
BRIAN TURNER	(i)	156,102	429		4,811	15,239	176,581	0
	(ii)	0	0	0	0	0	0	0
GARY MILLER	(i)	0	0	0	0	0	0	0
	(ii)	204,386	41,305	14,621	11,255	14,182	285,749	0
MICHAEL SNOW	(i)	0	0	0	0	0	0	0
	(ii)	472,501	177,424	69,708	18,207	6,871	744,711	0
TRUMAN ESMOND	(i)	0	0	0	0	0	0	0
	(ii)	136,614	150,000	0	0	0	286,614	0
MICHAEL BUNDY	(i)	0	0	0	0	0	0	0
	(ii)	213,997	42,544	10,745	11,481	15,362	294,129	0

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
HEALTH OR SOCIAL CLUB DUES	SCHEDULE J, PART I, LINE 1	WELLMONT HAWKINS COUNTY PROVIDED DALE POE A COUNTRY CLUB MEMBERSHIP. THE COST OF THE COUNTRY CLUB MEMBERSHIP WAS INCLUDED IN HIS TAXABLE COMPENSATION.
COMPENSATION ESTABLISHED BY A RELATED ORGANIZATION	SCHEDULE J, PART I, LINE 3	WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL RELIES ON A RELATED ORGANIZATION TO ESTABLISH COMPENSATION OF THE PRESIDENT/CEO. WELLMONT HEALTH SYSTEM USES ONE OR MORE OF THE METHODS DESCRIBED TO ESTABLISH THE COMPENSATION FOR THIS INDIVIDUAL.

Additional Data

Software ID:

Software Version:

EIN: 62-1816368

Name: WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

efile GRAPHIC print - DO NOT PROCESS

As Filed Data -

DLN: 93493136040411

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  
WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

Employer identification number  
62-1816368

Identifier	Return Reference	Explanation
SOLE MEMBER	FORM 990, PART VI, SECTION A, LINE 6	WELLMONT HEALTH SYSTEM IS THE SOLE MEMBER OF WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL

Identifier	Return Reference	Explanation
REVIEW OF 990	FORM 990, PART VI, SECTION B, LINE 11A	WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL'S FORM 990 IS REVIEWED BY THE EXECUTIVE VICE PRESIDENT/CFO, SENIOR VICE PRESIDENT OF FINANCE AND THE MANAGER OF ACCOUNTING FOR WELLMONT HEALTH SYSTEM AS WELL AS THE PRESIDENT AND CFO OF WELLMONT HAWKINS COUNTY HOSPITAL PRIOR TO FILING ANY QUESTIONS/COMMENTS ARISING FROM THE INITIAL REVIEW ARE ADDRESSED TO ENSURE THE RETURN IS COMPLETE AND ACCURATE ANY CHANGES/CORRECTIONS ARE MADE AND THE RETURN IS THEN PROVIDED TO THE ABOVE INDIVIDUALS AND THE ENTIRE BOARD PRIOR TO FILING WITH THE INTERNAL REVENUE SERVICE

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL HAS A CONFLICT OF INTEREST POLICY ANNUALLY, BOARD MEMBERS ARE PROVIDED THE POLICY AND GIVEN A DISCLOSURE FORM THAT IS SENT TO GENERAL COUNSEL FOR REVIEW AND ACTION HAWKINS COUNTY MEMORIAL HOSPITAL ALSO HAS A POLICY ON BUSINESS PRACTICES THAT DISCUSSES CONFLICT OF INTEREST AND INFORMS THE WORKFORCE TO DISCLOSE ANY ISSUES TO THE CORPORATE COMPLIANCE OFFICER FOR RESOLUTION HAWKINS COUNTY MEMORIAL HOSPITAL ALSO USES A HOTLINE THAT ALLOWS ANONYMOUS REPORTING OF POSSIBLE CONFLICT OF INTEREST SITUATIONS FOR INVESTIGATION BY THE CORPORATE COMPLIANCE OFFICER

Identifier	Return Reference	Explanation
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINE 15A & B	THE COMPENSATION OF THE CEO AND OTHER OFFICERS OF WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IS REVIEWED, APPROVED, AND DOCUMENTED BY THE WELLMONT HEALTH SYSTEM PERSONNEL COMMITTEE AND BOARD OF DIRECTORS IN ADDITION, THESE BODIES USE COMPARABILITY DATA TO DETERMINE APPROPRIATE COMPENSATION ALL COMPENSATION DELIBERATIONS AND REVIEWS ARE CONTEMPORANEOUSLY DOCUMENTED THIS PROCESS IS COMPLETED ON AN ANNUAL BASIS WITH THE LAST PROCESS BEING COMPLETED IN JULY 2009

Identifier	Return Reference	Explanation
PUBLIC DISCLOSURE	FORM 990, PART VI, SECTION C, LINE 19	THE WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE NOT AVAILABLE TO THE PUBLIC FEDERAL LAW DOES NOT REQUIRE SUCH DOCUMENTS BE MADE PUBLICLY AVAILABLE UNLESS THEY WERE INCLUDED ON FORMS THAT ARE PUBLICLY AVAILABLE SUCH AS FORM 1023 OR FORM 1024 WELLMONT HEALTH SYSTEM'S AUDITED FINANCIAL STATEMENTS AND QUARTERLY UNAUDITED FINANCIAL STATEMENTS ARE AVAILABLE THROUGH THE ELECTRONIC MUNICIPAL MARKET ACCESS WEBSITE FORM 990 IS ALSO AVAILABLE FOR PUBLIC INSPECTION AT THE CORPORATE OFFICE OF WELLMONT HEALTH SYSTEM

Identifier	Return Reference	Explanation
EXECUTIVE COMPENSATION	FORM 990, PART VII, SECTION A	ELIZABETH WARD DID NOT RECEIVE ANY 2009 CALENDAR YEAR COMPENSATION AS SHE WAS HIRED BY WELLMONT HEALTH SYSTEM DURING CALENDAR YEAR 2010

Identifier	Return Reference	Explanation
AVERAGE HOURS PER WEEK	FORM 990, PART VII, SECTION A, COLUMN (B)	THE FOLLOWING OFFICERS AND VOTING BOARD MEMBERS DEVOTED THE MAJORITY OF THEIR TIME PROVIDING SERVICES TO WELLMONT HEALTH SYSTEM AND OTHER RELATED PARTIES GARY MILLER (39 HOURS) MICHAEL SNOW (39 HOURS) ELIZABETH WARD (39 HOURS) TRUMAN ESMOND (39 HOURS) MICHAEL BUNDY (39 HOURS) IN ADDITION, THE FOLLOWING INDIVIDUALS PROVIDED SERVICES TO WELLMONT HEALTH SYSTEM FRED PELLE (2 HOURS) DALE POE (2 HOURS)

Identifier	Return Reference	Explanation
AUDIT OF FINANCIAL STATEMENTS	FORM 990, PART XI, LINE 2	WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010 WERE AUDITED AS PART OF WELLMONT HEATH SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS WELLMONT HEALTH SYSTEM HAS AN AUDIT COMMITTEE WHICH ASSUMES THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT ACCOUNTANT

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**  
WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

**Employer identification number**  
  
62-1816368

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
WELLMONT HEALTH SYSTEM  1905 AMERICAN WAY  KINGSPORT, TN 37660 62-1636465	HEALTHCARE	TN	501(C)(3)	3	NA
WELLMONT MADISON HOUSE  1905 AMERICAN WAY  KINGSPORT, TN 37660 62-1308216	HEALTHCARE	TN	501(C)(3)	9	WHS
WELLMONT FOUNDATION  1905 AMERICAN WAY  KINGSPORT, TN 37660 58-1594191	HEALTHCARE	TN	501(C)(3)	7	WHS
TAKOMA REGIONAL HOSPITAL INC  401 TAKOMA AVE  GREENVILLE, TN 37734 51-0603966	HEALTHCARE	TN	501(C)(3)	3	WHS
WELLMONT CARDIOLOGY SERVICES  1905 AMERICAN WAY  KINGSPORT, TN 37660 26-3557623	HEALTHCARE	TN	501(C)(3)	3	WHS
WELLMONT IMAGING SERVICES INC  1905 AMERICAN WAY  KINGSPORT, TN 37660 86-1103148	HEALTHCARE	TN	501(C)(3)	3	WHS



Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
HOLSTON VALLEY IMAGING CENTER  103 W STONE DR KINGSPORT, TN37660 20-2043285	HEALTHCARE	TN	WELLMONT IMAGIN	RELATED	0	0		No			No
SAPLING GROVE AMBULATORY SURGERY CENTER  220 MEDICAL PARK BLVD BRISTOL, TN37620 20-4450153	HEALTHCARE	TN	WHS	RELATED	0	0		No			No
HOLSTON VALLEY AMBULATORY SURG  103 WEST STONE DRIVE KINGSPORT, TN37660 62-1816864	SURGERY	TN	WHS	RELATED	0	0		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
WELLMONT INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1320035	PHYSICIAN SVC	TN	WHS	C	0	0	0 %
MEDICAL MALL PHARMACY INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1565006	MEDICAL SVCS	TN	WELLMONT INC	C	0	0	0 %
WELLMONT PHYSICIAN SERVICES INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1567353	PHYSICIAN SVC	TN	WELLMONT INC	C	0	0	0 %
WELLMONT HEALTH SERVICES INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1254373	HEALTHCARE	TN	WELLMONT INC	C	0	0	0 %
WPS PROVIDERS INC 1905 AMERICAN WAY KINGSPORT, TN37660 20-5564642	PHYSICIAN SVC	TN	WELLMONT INC	C	0	0	0 %
MCOT INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1325938	MEDICAL SVCS	TN	WELLMONT INC	C	0	0	0 %
MEDICAL LAUNDRY OF TRI-CITIES INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1482226	MEDICAL SVCS	TN	WELLMONT INC	C	0	0	0 %

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

No

1l

Yes

1m

No

1n

Yes

1o

No

1p

No

1q

No

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)WELLMONT FOUNDATION	C	72,797
(2)WELLMONT HEALTH SYSTEM	C	5,122,476
(3)WELLMONT HEALTH SYSTEM	J	183,766
(4)MCOT INC	L	151,080
(5)MEDICAL LAUNDRY OF TRI-CITIES INC	L	86,252
(6)WELLMONT HEALTH SYSTEM	L	2,035,949

Schedule R (Form 990) 2009

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

[illegible]

Software ID:

Software Version:

EIN: 62-1816368

Name: WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
WELLMONT HEALTH SYSTEM  1905 AMERICAN WAY KINGSPORT, TN37660 62-1636465	HEALTHCARE	TN	501(C)(3)	3	NA
WELLMONT MADISON HOUSE  1905 AMERICAN WAY KINGSPORT, TN37660 62-1308216	HEALTHCARE	TN	501(C)(3)	9	WHS
WELLMONT FOUNDATION  1905 AMERICAN WAY KINGSPORT, TN37660 58-1594191	HEALTHCARE	TN	501(C)(3)	7	WHS
TAKOMA REGIONAL HOSPITAL INC  401 TAKOMA AVE GREENVILLE, TN37734 51-0603966	HEALTHCARE	TN	501(C)(3)	3	WHS
WELLMONT CARDIOLOGY SERVICES  1905 AMERICAN WAY KINGSPORT, TN37660 26-3557623	HEALTHCARE	TN	501(C)(3)	3	WHS
WELLMONT IMAGING SERVICES INC  1905 AMERICAN WAY KINGSPORT, TN37660 86-1103148	HEALTHCARE	TN	501(C)(3)	3	WHS

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
WELLMONT INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1320035	PHYSICIAN SVC	TN	WHS	C	0	0	0 %
MEDICAL MALL PHARMACY INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1565006	MEDICAL SVCS	TN	WELLMONT INC	C	0	0	0 %
WELLMONT PHYSICIAN SERVICES INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1567353	PHYSICIAN SVC	TN	WELLMONT INC	C	0	0	0 %
WELLMONT HEALTH SERVICES INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1254373	HEALTHCARE	TN	WELLMONT INC	C	0	0	0 %
WPS PROVIDERS INC 1905 AMERICAN WAY KINGSPORT, TN37660 20-5564642	PHYSICIAN SVC	TN	WELLMONT INC	C	0	0	0 %
MCOT INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1325938	MEDICAL SVCS	TN	WELLMONT INC	C	0	0	0 %
MEDICAL LAUNDRY OF TRI-CITIES INC 1905 AMERICAN WAY KINGSPORT, TN37660 62-1482226	MEDICAL SVCS	TN	WELLMONT INC	C	0	0	0 %

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1) WELLMONT FOUNDATION	C	72,797
(2) WELLMONT HEALTH SYSTEM	C	5,122,476
(3) WELLMONT HEALTH SYSTEM	J	183,766
(4) MCOT INC	L	151,080
(5) MEDICAL LAUNDRY OF TRI-CITIES INC	L	86,252
(6) WELLMONT HEALTH SYSTEM	L	2,035,949

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 62-1816368  
**Name:** WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL  
INC

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

WELLMONT HEALTH SYSTEM (PARENT ENTITY/SOLE MEMBER OF WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL) PREPARES A COMMUNITY BENEFIT REPORT ANNUALLY, WHICH INCLUDES THE SERVICE AREA AND ACTIVITIES OF WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IN CONTRAST, AN IRS FORM 990 IS FILED FOR EACH TAX EXEMPT CORPORATION (6 SEPARATE FORM 990S) AND THERE IS NO SUCH IRS FORM FOR THE TAXABLE CORPORATIONS IN ADDITION, THE IRS INSTRUCTIONS TO FORM 990 HAVE SPECIFIC DEFINITIONS, METHODS AND WORKSHEETS TO CALCULATE THE COMMUNITY BENEFITS TO BE INCLUDED ON THE FORM 990 AS A RESULT, THERE ARE SIGNIFICANT DIFFERENCES BETWEEN THE COMMUNITY BENEFITS REPORTED IN THE CONSOLIDATED COMMUNITY BENEFIT REPORT AND THE VARIOUS FORM 990S FOR EXAMPLE, THERE ARE SIGNIFICANT LOSSES INCURRED IN THE TAXABLE CORPORATIONS THAT CANNOT BE REFLECTED IN THE VARIOUS FORM 990S, THE LARGEST OF WHICH ARE THE COSTS AND REVENUES ASSOCIATED WITH THE PHYSICIANS AND OTHER PROVIDERS WITHIN THESE CORPORATIONS WHO PROVIDE INDISPENSABLE SERVICES TO PATIENTS OF WELLMONT HEALTH SYSTEM THERE ARE ALSO FUNDS AND SERVICES THAT ARE PROVIDED THAT DO NOT MEET THE SPECIFIC DEFINITIONS OF THE IRS INSTRUCTIONS, SUCH AS CONTRIBUTIONS TO COMMUNITY ORGANIZATIONS THAT DO NOT MEET THE DEFINITION OF "RESTRICTED TO ONE OR MORE OF THE ACTIVITIES DESCRIBED IN THE TABLE IN PART I, LINE 7 "

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

WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES WAS USED TO DETERMINE THE COSTS FOR AMOUNTS IN LINE 7A AND 7B COLUMN (C) THE COSTS INCLUDED IN THE COST-TO-CHARGE RATIO INCLUDED THE COSTS FROM ALL PATIENT SEGMENTS ACTUAL COSTS FROM THE GENERAL LEDGER WERE USED FOR AMOUNTS IN LINE 7F AND 7I COLUMN (C)

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

BAD DEBT EXPENSE OF \$1,543,178 WAS INCLUDED ON FORM 990 PART IX LINE 25 COLUMN(A) BUT WAS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN THIS COLUMN



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

THE COST REPORTED ON LINE 2 IS CALCULATED AS THE BAD DEBT EXPENSE FROM THE GENERAL LEDGER TIMES THE RATIO OF COST TO CHARGES AS CALCULATED ON WORKSHEET 2. THERE ARE NO AMOUNTS REPORTED ON LINE 3. DISCOUNTS ON PATIENT ACCOUNTS ARE NOT INCLUDED IN BAD DEBT EXPENSE. PAYMENTS ON PATIENT ACCOUNTS THAT HAVE PREVIOUSLY BEEN WRITTEN OFF AS BAD DEBT ARE USED TO REDUCE BAD DEBT EXPENSE. A THIRD PARTY VENDOR IS USED TO HELP DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE CHARITY CARE POLICY. TEXT OF NOTE TO FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE. NET PATIENT SERVICE REVENUE IS REPORTED ON THE ACCRUAL BASIS IN THE PERIOD IN WHICH SERVICES ARE PROVIDED AT THE ESTIMATED NET REALIZABLE AMOUNTS EXPECTED TO BE COLLECTED. NET PATIENT SERVICE REVENUE INCLUDES AMOUNTS ESTIMATED BY MANAGEMENT TO BE REIMBURSABLE BY PATIENTS AND VARIOUS THIRD-PARTY PAYORS UNDER PROVISIONS OF REIMBURSEMENT FORMULAS IN EFFECT, INCLUDING RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT AGREEMENTS. ESTIMATED RETROACTIVE ADJUSTMENTS ARE ACCRUED IN THE PERIOD RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL AND OTHER SETTLEMENTS ARE DETERMINED. WELLMONT PROVIDES CARE TO PATIENTS WHO MEET CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES. BECAUSE WELLMONT DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUE. PATIENT ACCOUNTS RECEIVABLE ARE REPORTED NET OF BOTH AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS. THE CONTRACTUAL ALLOWANCE REPRESENTS THE DIFFERENCE BETWEEN ESTABLISHED BILLING RATES AND ESTIMATED REIMBURSEMENT FROM MEDICARE, TENNCARE, MEDICAID, AND OTHER THIRD-PARTY PAYMENT PROGRAMS. WELLMONT'S POLICY DOES NOT REQUIRE COLLATERAL OR OTHER SECURITY FOR PATIENT ACCOUNTS RECEIVABLE. WELLMONT ROUTINELY OBTAINS ASSIGNMENT OF, OR IS OTHERWISE ENTITLED TO RECEIVE, PATIENT BENEFITS PAYABLE UNDER HEALTH INSURANCE PROGRAMS, PLANS, OR POLICIES.

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

THE MEDICARE COST REPORT COST FINDING METHODOLOGY AND COST TO CHARGE RATIOS WERE USED TO DETERMINE THE AMOUNT REPORTED ON LINE 6. LINE 7 IS A SURPLUS AND IS NOT INCLUDED AS COMMUNITY BENEFIT. THE IRS INSTRUCTIONS FOR SCHEDULE H, PART III, SECTION B, LINES 5-7 SPECIFICALLY INDICATE TO INCLUDE ONLY THOSE ALLOWABLE COSTS AND MEDICARE REIMBURSEMENTS THAT ARE REPORTED IN THE ORGANIZATION'S MEDICARE COST REPORT FOR THE YEAR. THIS REPORTING DOES NOT TAKE INTO ACCOUNT THOSE COSTS AND REVENUES ASSOCIATED WITH HOSPITAL EMPLOYED PHYSICIANS WHO ARE TREATING MEDICARE PATIENTS AT HOSPITAL-OWNED CLINICS AND PHYSICIAN PRACTICE SITES. ACCORDINGLY, THE NET RESULT OF TREATING MEDICARE PATIENTS FROM A FINANCIAL PERSPECTIVE MAY DIFFER AS REPORTED FOR FINANCIAL REPORTING PURPOSES AND COMMUNITY BENEFIT REPORTING PURPOSES FROM THE SURPLUS OR SHORTFALL SHOWN ON LINE 7 OF SECTION B OF PART III OF SCHEDULE H.

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

A THIRD PARTY VENDOR WAS USED BEGINNING IN FISCAL YEAR 2010 (TAX YEAR 2009) TO IDENTIFY PATIENTS WHO HAD BEEN SENT TO A COLLECTION AGENCY BUT WHO LIKELY WOULD QUALIFY FOR CHARITY CARE THESE PATIENTS' ACCOUNTS ARE THEN WRITTEN OFF AS CHARITY CARE SUCH PATIENTS ARE NOTIFIED OF THE REDUCTION OR ELIMINATION OF THE OUTSTANDING CHARGES AND COLLECTIONS ARE NOT PURSUED

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

WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL EXAMINES THE HEALTHCARE NEEDS OF THE COMMUNITIES IT SERVES BY CONDUCTING PHYSICIAN NEEDS ASSESSMENTS FOR ITS HOSPITALS AS PART OF THIS EFFORT, WELLMONT REVIEWS ITS SERVICE AREA AND DEMOGRAPHICS, EXAMINES PHYSICIAN DEMOGRAPHICS AND CONDUCTS FOCUS GROUPS IT MAKES A DETERMINATION OF PHYSICIAN NEED WHILE CALCULATING ITS PHYSICIAN SURPLUSES AND DEFICITS AND HIGHLIGHTING ITS RECRUITMENT PRIORITIES AND PLANS WELLMONT ANNUALLY DETERMINES ITS PRIMARY, SECONDARY AND TERTIARY MARKETS THROUGH THE USE OF COUNTY-BY-COUNTY ANALYSIS TO IDENTIFY THE FOLLOWING CUSTOMER GROUPS PATIENTS AND POTENTIAL PATIENTS, COMMUNITY/EMPLOYER GROUPS AND LOCAL PHYSICIANS THE HEALTH SYSTEM ALSO RELIES ON THE EXPERTISE OF CONSULTANTS TO PERIODICALLY REVIEW ALL FACETS OF OPERATIONS AND MAKE RECOMMENDATIONS FOR CHANGES

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

THE GOVERNING BOARD OF WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IS COMPRISED OF EMPLOYEES OF WELLMONT HEALTH SYSTEM, AS ARE ESSENTIALLY ALL OF THE SUBSIDIARIES OF WELLMONT HEALTH SYSTEM. HOWEVER, THE GOVERNING BOARD OF WELLMONT HEALTH SYSTEM IS COMPRISED OF MEMBERS OF THE COMMUNITIES WITHIN WELLMONT HEALTH SYSTEM'S PRIMARY SERVICE AREA AND THE MAJORITY OF THE MEMBERS ARE NEITHER EMPLOYEES NOR CONTRACTORS. IN ADDITION, THERE IS AN ADVISORY BOARD FOR WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL WHICH IS COMPRISED SOLELY OF RESIDENTS OF ITS PRIMARY SERVICE AREA AND THE MAJORITY OF THE MEMBERS ARE NEITHER EMPLOYEES NOR CONTRACTORS. THE MEDICAL STAFF OF WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL, LIKE ALL WELLMONT HEALTH SYSTEM HOSPITALS, IS OPEN TO ALL QUALIFIED PHYSICIANS, EXCEPT FOR SOME OF ITS HOSPITAL BASED DEPARTMENTS, SUCH AS CARDIOLOGY AND RADIOLOGY. ANY SURPLUS OF REVENUES AND GAINS IN EXCESS OF EXPENSES AND LOSSES FOR WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL, LIKE ALL WELLMONT HEALTH SYSTEM HOSPITALS, IS USED TO FURTHER THE WELLMONT HEALTH SYSTEM MISSION AND VISION, WHICH ARE "WE DELIVER SUPERIOR HEALTH CARE WITH COMPASSION" AND "WE WILL DELIVER THE BEST HEALTH CARE ANYWHERE." THIS WOULD INCLUDE IMPROVEMENTS IN FACILITIES AS WELL AS OPERATIONS FOR PATIENT CARE.

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

WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IS AN AFFILIATE OF WELLMONT HEALTH SYSTEM. WELLMONT HEALTH SYSTEM ("WELLMONT") IS A TENNESSEE NON-PROFIT CORPORATION BASED IN KINGSFORT, TENNESSEE AND A PREMIER PROVIDER OF HEALTHCARE SERVICES IN NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA. WELLMONT WAS FORMED IN JULY 1996 WITH THE MERGER OF BRISTOL MEMORIAL HOSPITAL IN BRISTOL, TENNESSEE AND HOLSTON VALLEY MEDICAL CENTER IN KINGSFORT, TENNESSEE. OVER THE PAST DECADE, WELLMONT HAS GROWN TO INCLUDE SIX ADDITIONAL HOSPITALS, AN INTEGRATED PHYSICIAN NETWORK AND SEVERAL AMBULATORY SITES. WELLMONT HOSPITALS OFFER A BROAD SCOPE OF SERVICES RANGING FROM COMMUNITY-BASED ACUTE CARE TO HIGHLY SPECIALIZED TERTIARY SERVICES INCLUDING TWO TRAUMA CENTERS, COMPREHENSIVE HEART CARE AND CANCER CARE. WELLMONT OWNS AND OPERATES AN INTEGRATED HEALTH CARE DELIVERY SYSTEM PROVIDING INPATIENT, OUTPATIENT AND OTHER HEALTH CARE SERVICES AT MULTIPLE LOCATIONS IN NORTHEAST TENNESSEE AND SOUTHWEST VIRGINIA. CURRENTLY, WELLMONT OWNS AND OPERATES SIX ACUTE CARE HOSPITAL FACILITIES AND ONE CRITICAL ACCESS HOSPITAL WITH A TOTAL OF 1,253 LICENSED BEDS AND, THROUGH A JOINT VENTURE, PARTNERS TO OPERATE AN ADDITIONAL ACUTE CARE HOSPITAL FACILITY WITH 100 LICENSED BEDS. THE ACUTE CARE FACILITIES OWNED BY WELLMONT INCLUDE HOLSTON VALLEY MEDICAL CENTER, BRISTOL REGIONAL MEDICAL CENTER, MOUNTAIN VIEW REGIONAL MEDICAL CENTER IN NORTON, VIRGINIA, LEE REGIONAL MEDICAL CENTER IN PENNINGTON GAP, VIRGINIA, LONESOME PINE HOSPITAL IN BIG STONE GAP, VIRGINIA, WELLMONT HAWKINS COUNTY MEMORIAL HOSPITAL IN ROGERSVILLE, TENNESSEE AND THE CRITICAL ACCESS HOSPITAL, HANCOCK COUNTY HOSPITAL IN SNEEDVILLE, TENNESSEE. WELLMONT IS THE MAJORITY PARTNER WITH ADVENTIST HEALTH SYSTEM AT TAKOMA REGIONAL HOSPITAL, AN ACUTE CARE HOSPITAL IN GREENEVILLE, TENNESSEE. WELLMONT ALSO, DIRECTLY OR INDIRECTLY, CONTROLS, OWNS OR IS AFFILIATED WITH VARIOUS NONPROFIT AND FOR-PROFIT CORPORATIONS AND OTHER ORGANIZATIONS THAT CURRENTLY PROVIDE HEALTH CARE AND HEALTH CARE-RELATED SERVICES THROUGHOUT THE SERVICE AREA. IN ADDITION TO THE HOSPITAL CAMPUSES AND AMBULATORY CARE CENTERS DESCRIBED ABOVE, WELLMONT ALSO OPERATES MEDICAL CLINICS, AMBULATORY SURGERY CENTERS, COMPREHENSIVE CANCER CARE CENTERS, AND IMAGING FACILITIES.