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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 04/01, **2010, and ending** 03/31, **20** 11

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

C Name of organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
800 PARK STREET

City or town, state or country, and ZIP + 4
BOWLING GREEN, KY 42102

D Employer identification number
61-0920842

E Telephone number
(270) 745-1500

G Gross receipts $ 492,026,300.

F Name and address of principal officer CONNIE SMITH
800 PARK STREET BOWLING GREEN, KY 42102-9876

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW.MCBG.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1977 | **M** State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDES INPATIENT AND OUTPATIENT ACUTE CARE SERVICES BY OR UNDER THE SUPERVISION OF PHYSICIANS IN BOWLING GREEN & SCOTTSVILLE, KENTUCKY AND IN THE SURROUNDING COUNTIES.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	13.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6.
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	2,588.
6	Total number of volunteers (estimate if necessary)	6	97.
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	4,776,940.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	55,217.	138,593.
9	Program service revenue (Part VIII, line 2g)	267,280,544.	265,385,229.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	604,716.	3,683,213.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,827,604.	13,731,720.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	279,768,081.	282,938,755.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	113,930,634.	113,024,675.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	147,040,881.	152,235,034.
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	260,971,515.	265,259,709.
19	Revenue less expenses Subtract line 18 from line 12	18,796,566.	17,679,046.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	268,513,169.	287,439,867.
21	Total liabilities (Part X, line 26)	161,898,740.	163,003,839.
22	Net assets or fund balances Subtract line 21 from line 20	106,614,429.	124,436,028.

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Part II Signature Block

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

Sign Here

▶ Signature of officer — Date 02/13/2012

▶ RONALD G. SOWELL, EVP
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
Kim Sefton	Kim Sefton, CPA	2/10/12		P01316095

Firm's name ▶ BKD, LLP — Firm's EIN ▶ 44-0160260

Firm's address ▶ 400 E MAIN ST STE 200 PO BOX 1196 BOWLING GREEN, KY 42102-1196 — Phone no 270-781-0111

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

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

JSA
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Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

PROVIDES INPATIENT AND OUTPATIENT ACUTE CARE SERVICES BY OR UNDER THE SUPERVISION OF PHYSICIANS IN BOWLING GREEN & SCOTTSVILLE, KENTUCKY AND IN THE SURROUNDING COUNTIES.

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 $ 145,145,601 including grants of $ _____) (Revenue $ 151,074,750)

THE HOSPITAL IS AN ACUTE CARE HOSPITAL ENGAGED IN PROVIDING SERVICE TO INPATIENTS, BY OR UNDER THE SUPERVISION OF PHYSICIANS, DIAGNOSTIC AND THERAPEUTIC SERVICES FOR MEDICAL DIAGNOSIS, TREATMENT, AND CARE OF INJURED, DISABLED, OR SICK PERSONS, OR REHABILITATION OF INJURED, DISABLED, OR SICK PERSONS.

PLEASE SEE SCHEDULE O FOR FURTHER INFORMATION.

4b (Code _____) (Expenses $ 85,427,236 including grants of $ _____) (Revenue $ 114,310,479)

THE HOSPITAL SERVES THE COMMUNITY BY PROVIDING CERTAIN OUTPATIENT SERVICES, INCLUDING AN EMERGENCY DEPARTMENT, BY OR UNDER THE SUPERVISION OF PHYSICIANS, DIAGNOSTIC AND THERAPEUTIC SERVICES FOR MEDICAL DIAGNOSIS, TREATMENT, AND CARE OF INJURED, DISABLED, OR SICK PERSONS, OR REHABILITATION OF INJURED, DISABLED, OR SICK PERSONS.

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

4d Other program services (Describe in Schedule O)

(Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4e **Total program service expenses** ▶ 230,572,837.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7	X	
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—othersecurities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f	X	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No," go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	X	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☒ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

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

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	187		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,588		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			X
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b			

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ KY,

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

☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ JAMES LARRY VAUGHN, 800 PARK STREET BOWLING GREEN, KY 42102
270-745-1500

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BOB HOVIOUS CHAIRMAN	1.00	X		X				0.	0	0.
(2) DR. PAUL COOK VICE CHAIRMAN	1.00	X		X				0.	0	0.
(3) JANET JOHNSON DIRECTOR	1.00	X						0.	0	0.
(4) JOE NATCHER SECRETARY	1.00	X		X				0.	0	0.
(5) DONNA BLACKBURN DIRECTOR	1.00	X						0.	0	0.
(6) CURTIS SULLIVAN DIRECTOR	1.00	X						0.	0	0.
(7) ELI JACKSON, III, DMD DIRECTOR	1.00	X						0.	0	0.
(8) CATHY BISHOP DIRECTOR	1.00	X						0.	0	0.
(9) HUGH SIMS, MD DIRECTOR	1.00	X						0.	0	0.
(10) KAL SAHETYA, MD DIRECTOR	1.00	X						0.	0	0.
(11) MARK BIGLER, MD DIRECTOR	1.00	X						0.	0	0.
(12) JOHN DESMARAIS DIRECTOR & PART YEAR PRES/CEO	1.00	X		X				0.	670,482.	125,097.
(13) CONNIE SMITH DIRECTOR & PART YEAR PRES/CEO	1.00	X		X				0.	468,660.	35,639.
(14) SARAH MOORE EXECUTIVE VICE PRESIDENT	40.00			X				0.	213,189.	116,161.
(15) BETSY KULLMAN CNO/EXECUTIVE VICE PRESIDENT	40.00			X				0.	226,144.	123,568.
(16) BARBARA JEAN CHERRY CIO/EXECUTIVE VICE PRESIDENT	1.00			X				0.	373,912.	50,904.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) RONALD G SOWELL CFO/EXECUTIVE VICE PRESIDENT	1.00			X				0.	399,023.	48,140.
(18) ERIC HAGAN VP/MEDICAL CTR AT SCOTTSVILLE	40.00				X			171,729.	0.	36,743.
(19) DAVID REEVES PHARMACY MANAGER	40.00					X		150,423.	0.	74,085.
(20) WADE R STONE VICE PRESIDENT	40.00					X		172,639.	0.	22,595.
(21) LLOYD ASP PHYSICIST	40.00					X		188,450.	0.	110,750.
(22) CURTIS BAKER PHYSICIST	40.00					X		155,758.	0.	10,020.
(23) MELINDA JOYCE PHARMACY DIRECTOR	40.00					X		154,874.	0.	40,097.
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total ▶								993,873.	2,351,410.	793,799.
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								993,873.	2,351,410.	793,799.

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 ▶ 25

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

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 ▶ 27

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 47,178				
	e Government grants (contributions)	1e 91,415				
	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		138,593			
Program Service Revenue		**Business Code**				
	2a INPATIENT SERVICES	621110	151,074,750	151,074,750		
	b OUTPATIENT SERVICES	621400	114,310,479	114,310,479		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total** Add lines 2a-2f		265,385,229			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		2,222,503			2,222,503
	4 Income from investment of tax-exempt bond proceeds		0			
	5 Royalties		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	2,347,758				
	b Less rental expenses	2,767,453				
	c Rental income or (loss)	-419,695				
	d Net rental income or (loss)		-419,695			-419,695
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	207,470,243	310,559			
	b Less cost or other basis and sales expenses	206,078,877	241,215			
	c Gain or (loss)	1,391,366	69,344			
	d Net gain or (loss)		1,460,710			1,460,710
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less direct expenses b					
	c Net income or (loss) from fundraising events		0			
	9a Gross income from gaming activities See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities		0			
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory		0			
	Miscellaneous Revenue	**Business Code**				
	11a RETAIL PHARMACY SALES	446110	5,614,952		1,589,032	4,025,920
	b MEDICAL EQUIPMENT SALES	453000	3,270,202	1,099,623	2,170,579	
	c CONTRACT LABOR	900099	1,113,061.	1,113,061		
	d All other revenue	900099	4,153,200	3,135,871	1,017,329	
	e **Total.** Add lines 11a-11d		14,151,415			
	12 **Total revenue.** See instructions		282,938,755	270,733,784	4,776,940	7,289,438

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0.			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	208,472.		208,472.	
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	86,184,257.	81,598,396.	4,585,861.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,342,727.	5,039,488.	303,239.	
9 Other employee benefits	15,004,144.	14,152,548.	851,596.	
10 Payroll taxes	6,285,075.	5,927,980.	357,095.	
11 Fees for services (non-employees)				
a Management	13,250,490.		13,250,490.	
b Legal	645,631.	10,523.	635,108.	
c Accounting	266,120.		266,120.	
d Lobbying	11,661.		11,661.	
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	18,471,134.	18,405,975.	65,159.	
12 Advertising and promotion	603,394.	113,048.	490,346.	
13 Office expenses	72,770,560.	68,758,602.	4,011,958.	
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	3,968,316.	3,399,179.	569,137.	
17 Travel	812,783.	750,669.	62,114.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	4,455,832.	3,274,956.	1,180,876.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	12,934,355.	10,049,359.	2,884,996.	
23 Insurance	1,182,981.	1,128,781.	54,200.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a BAD DEBT EXPENSE	12,449,800.	12,449,800.		
b LAUNDRY EXPENSE	1,373,760.	1,372,956.	804.	
c OTHER TAXES AND LICENSES	4,084,725.	4,008,505.	76,220.	
d PHYSICIAN PRACTICE EXPENSES	4,037,310.		4,037,310.	
e PATIENT TRANSPORT	76,260.	76,260.		
f All other expenses	839,922.	55,812.	784,110.	0.
25 **Total functional expenses** Add lines 1 through 24f	265,259,709.	230,572,837.	34,686,872.	0.
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	10,362,710.	1	7,816,814.
	2	Savings and temporary cash investments	85,268,782.	2	111,833,025.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	28,873,594.	4	28,444,866.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	5,610,284.	8	5,986,354.
	9	Prepaid expenses and deferred charges	2,479,928.	9	5,150,305.
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D — 10a: 283,856,185.			
	b	Less accumulated depreciation — 10b: 183,703,695.	102,894,731.	10c	100,152,490.
	11	Investments - publicly traded securities	23,075,711.	11	18,033,723.
	12	Investments - other securities See Part IV, line 11	2,629,369.	12	2,952,652.
	13	Investments - program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	7,318,060.	15	7,069,638.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	268,513,169.	16	287,439,867.
Liabilities	17	Accounts payable and accrued expenses	29,005,877.	17	29,737,220.
	18	Grants payable		18	
	19	Deferred revenue	941,789.	19	967,759.
	20	Tax-exempt bond liabilities	101,445,000.	20	98,165,000.
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	9,237,575.	23	6,875,897.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities Complete Part X of Schedule D	21,268,499.	25	27,257,963.
	26	**Total liabilities.** Add lines 17 through 25	161,898,740.	26	163,003,839.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	105,261,495.	27	122,982,371.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets	1,352,934.	29	1,453,657.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	106,614,429.	33	124,436,028.
	34	Total liabilities and net assets/fund balances	268,513,169.	34	287,439,867.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	282,938,755.
2	Total expenses (must equal Part IX, column (A), line 25)	2	265,259,709.
3	Revenue less expenses Subtract line 2 from line 1	3	17,679,046.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	106,614,429.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	142,553.
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	124,436,028.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	**Employer identification number**
BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(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	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2010** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

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

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

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

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

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

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

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		11,661.
j	Total Add lines 1c through 1i			11,661.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV **Supplemental Information**

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

LOBBYING EXPENSES

SCHEDULE C, PART II-B, LINE 1I

THE CORPORATION IS A MEMBER OF THE KENTUCKY HOSPITAL ASSOCIATION. THE

PORTION OF THE DUES PAID WHICH ARE ATTRIBUTABLE TO LOBBYING TOTAL

$11,661.

Part IV Supplemental Information *(continued)*

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number

61-0920842

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

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

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

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

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

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

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

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

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	1.
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	0.

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ 1.

4 Number of states where property subject to conservation easement is located ▶ 1.

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ 0.

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶$ 0.

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

b Assets included in Form 990, Part X ▶$

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

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

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

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

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

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

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

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

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

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

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

Part V Endowment Funds. Complete if 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	88,386,125	71,881,958	67,604,167		
b Contributions	27,352,333	6,761,029	24,386,804		
c Net investment earnings, gains, and losses	4,772,379	9,206,992	-6,555,166		
d Grants or scholarships					
e Other expenditures for facilities and programs	3,149,367	-713,721	13,553,847		
f Administrative expenses	175,543	177,575			
g End of year balance	117,185,927	88,386,125	71,881,958		

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

a Board designated or quasi-endowment ▶ 98.4700 %
b Permanent endowment ▶ 1.5300 %
c Term endowment ▶ _____ %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		7,654,770.		7,654,770.
b Buildings		132,591,667.	67,048,074.	65,543,593.
c Leasehold improvements		4,985,351.	3,622,228.	1,363,123.
d Equipment		138,308,186.	113,033,391.	25,274,795.
e Other		316,209.	0.	316,209.
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				100,152,490.

Schedule D (Form 990) 2010

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

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

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total *(Column (b) must equal Form 990, Part X, col (B) line 15)* ▶		

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

1.	(a) Description of liability	(b) Amount
(1)	Federal income taxes	
(2)	INVESTMENT - RATE SWAP 3/2008	4,569,020.
(3)	ACCRUED RETIREMENT, LONG-TERM	22,688,943.
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶		27,257,963.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	282,938,755.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	265,259,709.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	17,679,046.
4	Net unrealized gains (losses) on investments	4	2,212,059.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-2,069,506.
9	Total adjustments (net) Add lines 4 through 8	9	142,553.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	17,821,599.

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	284,967,045.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,212,059.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	-2,069,506.		
e	Add lines **2a** through **2d**			2e	142,553.
3	Subtract line **2e** from line **1**			3	284,824,492.
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	-1,885,737.		
c	Add lines **4a** and **4b**			4c	-1,885,737.
5	Total revenue Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12)*			5	282,938,755.

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

1	Total expenses and losses per audited financial statements			1	267,145,446.
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	2,767,453.		
e	Add lines **2a** through **2d**			2e	2,767,453.
3	Subtract line **2e** from line **1**			3	264,377,993.
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	881,716.		
c	Add lines **4a** and **4b**			4c	881,716.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18)*			5	265,259,709.

Part XIV Supplemental Information

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

SEE PAGE 5

Part XIV Supplemental Information *(continued)*

ENDOWMENT FUNDS

SCH D, PART V, LINE 4

THE MEDICAL CENTER'S ENDOWMENT CONSISTS OF FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE ENDOWMENT INCLUDES BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS (BOARD-DESIGNATED ENDOWMENT FUNDS). AS REQUIRED BY GAAP, NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS, INCLUDING BOARD-DESIGNATED ENDOWMENT FUNDS, ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR-IMPOSED RESTRICTIONS. UNRESTRICTED NET ASSETS INCLUDED $87,033,191 OF BOARD-DESIGNATED ENDOWMENT FUNDS FOR FUTURE CAPITAL IMPROVEMENTS AND OTHER PURPOSES AS DETERMINED BY THE BOARD OF DIRECTORS. PERMANENTLY RESTRICTED NET ASSETS INCLUDED $1,352,934 OF DONOR-RESTRICTED ENDOWMENT FUNDS.

INCOME TAX STATUS

SCH D, PART X, LINE 2

MOST OF THE INCOME RECEIVED BY THE MEDICAL CENTER IS EXEMPT FROM TAXATION UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE. SOME OF ITS INCOME IS SUBJECT TO TAXATION AS UNRELATED BUSINESS INCOME. THE MEDICAL CENTER FILES FEDERAL INCOME TAX RETURNS, AS WELL AS AN INCOME TAX RETURN IN KENTUCKY. THE MEDICAL CENTER IS NO LONGER SUBJECT TO U.S. FEDERAL INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2008.

FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION TOPIC 740 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN A COMPANY'S FINANCIAL STATEMENTS AND PRESCRIBES A

Part XIV Supplemental Information *(continued)*

RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN, OR EXPECTED TO BE TAKEN IN A TAX RETURN. TOPIC 740 ALSO PROVIDES GUIDANCE ON DESCRIPTION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE AND TRANSITION.

THE MEDICAL CENTER DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS RECOGNIZED FOR 2011 OR 2010.

THE MEDICAL CENTER'S PRACTICE IS TO RECOGNIZE INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN INCOME TAX EXPENSE.

CONSERVATION EASEMENTS

SCHEDULE D, PART II

BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL INDIRECTLY HELD A CONSERVATION EASEMENT THROUGH AN INVESTMENT PARTNERSHIP. LIMITED INFORMATION IS AVAILABLE RELATED TO THE CONSERVATION EASEMENT AND THE FMV OF THE EASEMENT ALLOCATED TO BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL WAS $674. BOWLING GREEN WARREN COMMUNITY HOSPITAL DOES NOT HAVE A POLICY REGARDING MONITORING, INSPECTION AND ENFORCEMENT OF CONSERVATION EASEMENTS NOR DOES IT INCUR STAFF HOURS OR EXPENSES RELATED TO MONITORING, INSPECTING AND ENFORCING CONSERVATION EASEMENTS. THE CONSERVATION EASEMENT IS NOT ACCOUNTED FOR SEPARATELY IN THE FINANCIAL STATEMENTS. BECAUSE IT IS INDIRECTLY HELD THROUGH AN INVESTMENT, IT IS INCLUDED IN THE BALANCE SHEET VALUE OF INVESTMENTS AND INVESTMENT INCOME.

Part XIV Supplemental Information *(continued)*

RECONCILIATION TO AUDIT REPORT - NET ASSETS

SCH D, PART XI, LINE 8

OTHER CHANGES IN NET ASSETS:

CHANGE IN FV OF INTEREST RATE SWAP	($1,072,325)
CHANGE IN MINIMUM PENSION LIABILITY	($ 997,181)
	($2,069,506)

RECONCILIATION TO AUDIT REPORT - REVENUES

SCH D, PART XII

LINE 2D: OTHER AMOUNTS INCLUDED ON LINE 1 NOT INCLUDED ON TAX RETURN:

CHANGE IN FV OF INTEREST RATE SWAP	($1,072,325)
CHANGE IN MINIMUM PENSION LIABILITY	($ 997,181)
	($2,069,506)

LINE 4B: OTHER AMOUNTS INCLUDED ON TAX RETURN NOT ON LINE 1:

RECLASSIFICATION OF REVENUES & EXPENSES	$881,716
RENTAL EXPENSE SHOWN NET OF REV PER TAX RETURN	($2,767,453)
	($1,885,737)

Part XIV Supplemental Information *(continued)*

RECONCILIATION TO AUDIT REPORT - EXPENSES

SCH D, PART XIII

LINE 2D: AMOUNTS INCLUDED ON LINE 1 BUT NOT ON TAX RETURN:

RENTAL EXPENSES SHOWN NET OF REV PER TAX RETURN	$2,767,453

LINE 4B: AMOUNTS INCLUDED ON TAX RETURN BUT NOT ON LINE 1:

RECLASSIFICATION OF REVENUE & EXPENSE	$881,711

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☒ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %		X
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?	X	
b	If "Yes," did the organization make it available to the public?	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)	1	5136	12,657,386.	2,853,115.	9,804,271.	3.88
b Unreimbursed Medicaid (from Worksheet 3, column a)	1		31,573,573.	25,668,541.	5,905,032.	2.34
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	2	5136	44,230,959.	28,521,656.	15,709,303.	6.22
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	215	41821	2,776,014.		2,776,014.	1.10
f Health professions education (from Worksheet 5)	8	830	2,544,948.		2,544,948.	1.01
g Subsidized health services (from Worksheet 6)	3	18918	12,399,802.	7,651,657.	4,748,145.	1.88
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	148		354,180.		354,180.	.14
j Total Other Benefits	374	61569	18,074,944.	7,651,657.	10,423,287.	4.13
k Total Add lines 7d and 7j	376	66705	62,305,903.	36,173,313.	26,132,590.	10.35

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development	1		275.		275.	
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	2		332,174.		332,174.	.13
9 Other	1		3,250.		3,250.	
10 Total	4		335,699.		335,699.	.13

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1	X	
2	Enter the amount of the organization's bad debt expense (at cost) 2 2,300,417.			
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy 3 946,510.			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts in community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	90,466,560.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	105,895,416.	
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-15,428,856.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C Collection Practices

9a	Does the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 2

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 THE MEDICAL CENTER, BOWLING GREEN CAMPUS 800 PARK STREET BOWLING GREEN KY 42101	X	X					X		
2 THE MEDICAL CENTER, SCOTTSVILLE CAMPUS 456 BURNLEY ROAD SCOTTSVILLE KY 42164	X	X			X		X		NURSING FACILITY
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: THE MEDICAL CENTER, BOWLING GREEN CAMPUS

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)				
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment 20 __ __			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide community benefit plan			
d	☐ Participation in the execution of a community-wide community benefit plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8		
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care to low income individuals?	9		
	If "Yes," indicate the FPG family income limit for eligibility for free care __ __ __ %			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: THE MEDICAL CENTER, SCOTTSVILLE CAMPUS

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

			Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)				
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment 20 __ __			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide community benefit plan			
d	☐ Participation in the execution of a community-wide community benefit plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8		
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care to low income individuals?	9		
	If "Yes," indicate the FPG family income limit for eligibility for free care __ __ __ %			

Part V Facility Information *(continued)* THE MEDICAL CENTER, BOWLING GREEN CAMPUS

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %			
11	Explained the basis for calculating amounts charged to patients?	11		
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☐ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☐ Insurance status			
e	☐ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12		
13	Included measures to publicize the policy within the community served by the hospital facility?	13		
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☐ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☐ The policy was available on request			
g	☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?	16		
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply)			
a	☐ Notified patients of the financial assistance policy on admission			
b	☐ Notified patients of the financial assistance policy prior to discharge			
c	☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e	☐ Other (describe in Part VI)			

Part V Facility Information *(continued)* THE MEDICAL CENTER, SCOTTSVILLE CAMPUS

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
	If "Yes," indicate the FPG family income limit for eligibility for discounted care _ _ _ %			
11	Explained the basis for calculating amounts charged to patients?	11		
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a	☐ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☐ Insurance status			
e	☐ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12		
13	Included measures to publicize the policy within the community served by the hospital facility?	13		
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a	☐ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☐ The policy was available on request			
g	☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?	16		
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply).			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply)			
a	☐ Notified patients of the financial assistance policy on admission			
b	☐ Notified patients of the financial assistance policy prior to discharge			
c	☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e	☐ Other (describe in Part VI)			

Part V Facility Information *(continued)* THE MEDICAL CENTER, BOWLING GREEN CAMPUS

Policy Relating to Emergency Medical Care

			Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18		
	If "No," indicate the reasons why (check all that apply)			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility did not have a policy relating to emergency medical care			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d	☐ Other (describe in Part VI)			

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):			
a	☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	☐ The hospital facility used the Medicare rate for those services			
d	☐ Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		
	If "Yes," explain in Part VI.			
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?	21		
	If "Yes," explain in Part VI			

Part V Facility Information *(continued)* THE MEDICAL CENTER, SCOTTSVILLE CAMPUS

Policy Relating to Emergency Medical Care

			Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18		
	If "No," indicate the reasons why (check all that apply)			
a	☐ The hospital facility did not provide care for any emergency medical conditions			
b	☐ The hospital facility did not have a policy relating to emergency medical care			
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d	☐ Other (describe in Part VI)			

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a	☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	☐ The hospital facility used the Medicare rate for those services			
d	☐ Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	20		
	If "Yes," explain in Part VI			
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?	21		
	If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

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

Name and address	Type of Facility (describe)
1 THE MEDICAL CENTER HEALTH & WELLNESS CTR 2625 SCOTTSVILLE ROAD BOWLING GREEN KY 42104	COMMUNITY WELLNESS CENTER
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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

CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE

SCH H, PART I, LINE 3C

THE INCOME LIMIT FOR CHARITY CARE IS 200% OF THE FEDERAL POVERTY LEVEL.

DISCOUNTS ARE PROVIDED TO ALL PATIENTS WHO ARE UNINSURED WHOSE INCOME

EXCEEDS THE LIMITS TO QUALIFY FOR CHARITY CARE. SELF-PAY DISCOUNTS ARE

NOT LIMITED BASED ON INCOME. THE HOSPITAL ALSO PROVIDES PAYMENT PLANS

FOR SELF-PAY PATIENTS.

COMMUNITY BENEFIT REPORT

SCH H, PART I, LINE 6

THE ANNUAL REPORT TO THE COMMUNITY IS MADE AVAILABLE TO THE PUBLIC VIA

NEWSPAPER INSERTS, DIRECT MAILINGS, AND IS POSTED ON THE MEDICAL CENTER'S

WEBSITE AT WWW.MCBG.ORG.

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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

BENEFITS AT COST

SCH H, PART I, LINE 7

THE AMOUNTS REPORTED ON LINE 7G ARE DETERMINED BY MULTIPLYING REVENUE BY

THE MEDICARE COST TO CHARGE RATIO.

BAD DEBTS INCLUDED IN PART IX, LINE 25 TOTALED $12,449,800. THIS AMOUNT

HAS BEEN REMOVED FROM TOTAL EXPENSES CALCULATED IN COLUMN F ON SCHEDULE

H, PART I AND II.

COST OF CHARITY CARE WAS CALCULATED WITH A COST TO CHARGE RATIO USING

WORKSHEET 2. THE COSTS RELATED TO MEDICAID PATIENTS WAS DETERMINED USING

THE HOSPITAL COST ACCOUNTING SYSTEM. FOR SUBSIDIZED SERVICES THE

HOSPITAL'S COST ACCOUNTING SYSTEM IS USED TO DETERMINE COSTS RELATED TO

THE SPECIFIC SERVICE EXCLUDING TRADITIONAL MEDICAID AND MEDICAID MANAGED

PATIENTS. COSTS FOR CHARITY AND BAD DEBT ACCOUNTS ARE DEDUCTED USING A

RATIO OF COST TO CHARGE SPECIFIC TO THAT SUBSIDIZED SERVICE. COSTS FOR

OTHER PROGRAMS REFLECT THE DIRECT AND INDIRECT COSTS OF PROVIDING THOSE

PROGRAMS.

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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

BAD DEBT EXPENSE

SCH H, PART III, LINE 4

THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE

THAT DESCRIBES BAD DEBT EXPENSE. BAD DEBT IS CLASSIFIED AS AN OPERATING

EXPENSE. THIS TREATMENT IS CONSISTENT WITH THE HFMA PRINCIPLES AND

PRACTICE BOARD STATEMENT NO. 15 AND WITH THE AICPA AUDIT AND ACCOUNTING

GUIDE FOR HEALTH CARE ORGANIZATIONS.

THE AMOUNT ON LINE 2 WAS COMPUTED BY MULTIPLYING THE BAD DEBT EXPENSE BY

THE MEDICARE COST TO CHARGE RATIO.

CALCULATION OF MEDICARE ALLOWABLE COSTS

SCH H, PART III, LINE 6

COSTS REPORTED ON LINE 6 ARE OBTAINED FROM THE MEDICARE COST REPORT WHICH

ARE BASED ON A COST TO CHARGE RATIO.

Part VI Supplemental Information

Complete this part to provide the following information

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

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

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

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

COLLECTION PRACTICES

SCH H, PART III, LINE 9B

THE MEDICAL CENTER PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES. BECAUSE THE MEDICAL CENTER DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, REVENUE IS NOT RECORDED FOR SUCH SERVICES.

THE MEDICAL CENTER MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE THEY PROVIDE. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THEIR CHARITY CARE POLICY. OTHER UNCOMPENSATED CARE RELATES PRINCIPALLY TO CONTRACTUAL ALLOWANCES FOR GOVERNMENT PAYERS, DISCOUNTS TAKEN BY COMMERCIAL PAYERS AND BAD DEBTS.

BENEFITS FOR THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES OR WHO ARE UNINSURED. THIS INCLUDES TRADITIONAL CHARITY CARE AT STANDARD BILLING RATES AND THE

Part VI Supplemental Information

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COSTS OF TREATING MEDICAID BENEFICIARIES IN EXCESS OF GOVERNMENT PAYMENTS. THE MEDICAL CENTER DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO BE TRADITIONAL CHARITY CARE. THEREFORE, THESE AMOUNTS ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUE.

NEEDS ASSESSMENT

SCH H, PART VI, QUESTION 2

THE MEDICAL CENTER IS BUILT UPON THE FOUNDATION OF SERVING OUR COMMUNITY, DAY IN AND DAY OUT, WITH QUALITY DEPENDABLE HEALTHCARE. THE MEDICAL CENTER HAS NOT HISTORICALLY COMPLETED FORMAL HEALTH NEEDS ASSESSMENTS; HOWEVER, AS NEEDS ARISE IN THE COMMUNITY AND SURROUNDING COUNTIES, THE MEDICAL CENTER RESPONDS.

THE MEDICAL CENTER IS PART OF AN INTEGRATED HEALTHCARE DELIVERY SYSTEM AS DESCRIBED IN QUESTION 6 BELOW. THE MULTIPLE FACILITIES INCLUDING THE COMMONWEALTH HEALTH FREE CLINIC ARE EVIDENCE OF THE MEDICAL CENTER'S COMMITTMENT TO RESPONDING TO HEALTH NEEDS IN OUR COMMUNITY AND THE SURROUNDING RURAL COUNTIES.

Part VI Supplemental Information

Complete this part to provide the following information

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PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCH H, PART VI, QUESTION 3

UPON REGISTRATION, PATIENTS ARE PROVIDED A PATIENT HANDBOOK WHICH CONTAINS INFORMATION REGARDING FINANCIAL ASSISTANCE. ADDITIONALLY, SIGNAGE AND BROCHURES DESCRIBING FINANCIAL ASSISTANCE POLICIES ARE AVAILABLE AT ADMISSIONS AREAS.

EACH PATIENT WILL RECEIVE A STATEMENT REFERRED TO AS A FIRST NOTICE. THE FIRST NOTICE STATES THAT IT IS NOT A BILL, BUT IT IS SUMMARY OF THE PATIENT'S CHARGES. THIS NOTICE AND EACH SUBSEQUENT STATEMENT CONTAINS INFORMATION CONCERNING FINANCIAL ASSISTANCE AS WELL AS CONTACT INFORMATION FOR QUESTIONS. THE MEDICAL CENTER ALSO MAINTAINS A WEBSITE FOR BILLING AND COLLECTIONS QUESTIONS. FINANCIAL ASSISTANCE POLICIES ARE POSTED TO THIS WEBSITE AS WELL AS FREQUENTLY ASKED QUESTIONS REGARDING

Part VI Supplemental Information

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BILLINGS.

COMMUNITY INFORMATION

SCH H, PART VI, QUESTION 4

BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION(THE MEDICAL CENTER) IS DESIGNATED AS A REGIONAL REFERRAL CENTER BY THE BARREN RIVER REGIONAL HEALTH PLANNING COUNCIL, AN AGENCY OF THE COMMONWEALTH OF KENTUCKY. THE MEDICAL CENTER SERVES PATIENTS THROUGHOUT AN AREA COMPRISING TEN COUNTIES, CALLED THE BARREN RIVER AREA DEVELOPMENT DISTRICT (THE DISTRICT), IN SOUTH CENTRAL KENTUCKY. THE POPULATION OF THE MEDICAL CENTER'S PRIMARY SERVICE AREA IS APPROXIMATELY 280,000 PEOPLE. THE COMMUNITY IS GROWING AND WE ALSO SERVE A GROWING UNINSURED AND UNDERINSURED POPULATION. THERE ARE TWO ACUTE CARE HOSPITALS IN THE COMMUNITY. THE PERCENTAGE OF UNINSURED PERSONS IN THE COUNTIES SERVED BY THE MEDICAL CENTER RANGE FROM 17% TO 25%, WHICH IS HIGHER THAN THE KENTUCKY AVERAGE.

16.38% OF RESIDENTS IN THE DISTRICT ARE IN HOUSEHOLDS BELOW THE FEDERAL

Part VI Supplemental Information

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POVERTY GUIDELINES. THE THREE HIGHEST POPULATED COUNTIES IN THE DISTRICT ARE WARREN, BARREN AND ALLEN WHOSE AVERAGE MEDIAN HOUSEHOLD INCOME IS $58,866, $49,172 AND $36,097 RESPECTIVELY. APPROXIMATELY 64% OF THE DISTRICT'S POPULATION IS CLASSIFIED AS RURAL. THE PERCENTAGE OF THE POPULATION IN THE COMMUNITY OVER 65 YEARS OLD IS APPROXIMATELY 14%.

ACCORDING TO THE EVERYBODY SURVEY CONDUCTED BY THE BARREN RIVER DISTRICT HEALTH DEPARTMENT, THE MOST SERIOUS HEALTH PROBLEMS IN THE COMMUNITY ARE OBESITY, ALCOHOL AND DRUG ADDITION, HEART ATTACK, STROKE, HIGH BLOOD PRESSURE, CANCER AND DIABETES. THIS SURVEY ALSO IDENTIFIED PROBLEM HEALTH BEHAVIORS FOR THE DISTRICT WHICH INCLUDE ALCOHOL AND DRUG ABUSE, NOT ENOUGH PHYSICAL ACTIVITY, TOBACCO USE AND POOR DIET.

Part VI Supplemental Information

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PROMOTION OF COMMUNITY HEALTH

SCH H, PART VI, QUESTION 5

COMMUNITY BUILDING ACTIVITIES INCLUDE PARTICIPATION IN THE CHAMBER OF COMMERCE, DOWNTOWN REDEVELOPMENT AND LEADERSHIP BOWLING GREEN.

AFFILIATED HEALTH CARE SYSTEM ROLES

SCH H, PART VI, QUESTION 6

COMMONWEALTH HEALTH CORPORATION, INC. AND AFFILIATES

BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION ("THE MEDICAL CENTER") IS OWNED AND CONTROLLED BY COMMONWEALTH HEALTH CORPORATION ("CHC). CHC HAS BEEN DETERMINED TO BE A PUBLICLY SUPPORTED ORGANIZATION DESCRIBED IN SECTION 509(A)(2) OF THE CODE AND A CHARITABLE ORGANIZATION AS DESCRIBED IN SECTION 501(C)(3) OF THE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXATION BY VIRTUE OF SECTIONS 501(A) AND 501(C)(3) OF THE CODE.

CHC IS A HOLDING COMPANY FOR A TOTAL OF ELEVEN FOR-PROFIT AND NONPROFIT CORPORATIONS AND PARTNERSHIPS (COLLECTIVELY, THE "AFFILIATES") ENGAGED IN VARIOUS ASPECTS OF THE HEALTHCARE INDUSTRY. CHC HAS ESTABLISHED VARIOUS

Part VI Supplemental Information

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DIVISIONS FOR ITS OPERATIONS, INCLUDING (1) BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION ("THE MEDICAL CENTER"), (2) COMMONWEALTH HEALTH FREE CLINIC, INC., (3) THE MEDICAL CENTER AT FRANKLIN, INC., (4) COMMONWEALTH REGIONAL SPECIALTY HOSPITAL, INC., AND (5) VARIOUS FOR-PROFIT CORPORATIONS AND PARTNERSHIPS.

THE MEDICAL CENTER - BOWLING GREEN CAMPUS

BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION'S BOWLING GREEN FACILITY IS A GENERAL ACUTE CARE HOSPITAL LICENSED FOR 337 BEDS. IN 1980, THE BOWLING GREEN FACILITY MOVED INTO A NEW, SIX-STORY, STATE-OF-THE-ART FACILITY, OCCUPYING 298,000 SQUARE FEET ON A 17-ACRE CAMPUS. SINCE 1980, BECAUSE OF AN EXPANDING DEMAND FOR OUTPATIENT SERVICES, SEVERAL ADDITIONS TO THE BOWLING GREEN FACILITY HAVE BEEN MADE AND BOTH CLINICAL AND PATIENT AREAS HAVE BEEN RENOVATED AND MODERNIZED.

THE MEDICAL CENTER - SCOTTSVILLE CAMPUS

TO MORE FULLY SERVE THE HEALTH NEEDS OF SOUTH CENTRAL KENTUCKY, THE MEDICAL CENTER MERGED IN OCTOBER 1996 WITH AN AFFILIATED ENTITY, HEALTH

Part VI Supplemental Information

Complete this part to provide the following information

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ENDOWMENT PROPERTIES A-C, INC., A KENTUCKY NON-STOCK, NONPROFIT CORPORATION, WHICH OWNED AND OPERATED THE MEDICAL CENTER AT SCOTTSVILLE (THE "SCOTTSVILLE FACILITY").

THE SCOTTSVILLE FACILITY IS COMPRISED OF A 25-BED CRITICAL ACCESS HOSPITAL AND 110 NURSING CARE BEDS. THESE BEDS ARE LOCATED IN A 76,000 SQUARE FOOT BUILDING OPENED IN 1996 ON APPROXIMATELY 13 ACRES OF LAND IN ALLEN COUNTY, NEAR SCOTTSVILLE, KENTUCKY.

IN ADDITION, CHC ENDORSED THE ESTABLISHMENT OF COMMONWEALTH HEALTH FOUNDATION ("THE FOUNDATION") FOR THE PURPOSE OF FOSTERING, SUPPORTING AND INITIATING ACTIVITIES FOR THE ADVANCEMENT OF THE HEALTH CARE OBJECTIVES OF CHC AND THE MEDICAL CENTER AND/OR AFFILIATED NON-PROFIT 501(C)(3) ORGANIZATIONS. THE CHAIRMAN OF CHC'S BOARD OF DIRECTORS, CHC'S PRESIDENT AND CEO, AND THE CHIEF FINANCIAL OFFICER OF THE MEDICAL CENTER SERVE AS EX OFFICIO DIRECTORS OF THE FOUNDATION. THEY ALL THREE ARE COUNTED FOR QUORUM PURPOSES AND HAVE THE RIGHTS AND PRIVILEGES OF OTHER DIRECTORS INCLUDING THE RIGHT TO VOTE ON ALL MATTERS PROPERLY BEFORE THE

Part VI Supplemental Information

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BOARD.

COMMONWEALTH HEALTH FREE CLINIC, INC. ("CHFC") WAS ORGANIZED TO OPERATE A CLINIC, WHICH PROVIDES BASIC MEDICAL AND DENTAL DIAGNOSTIC AND TREATMENT SERVICES FOR CHARITABLE PURPOSES FOR THE "WORKING POOR" OF SOUTH-CENTRAL KENTUCKY. THE "WORKING POOR" ARE THOSE INDIVIDUALS WHO HAVE DONE THEIR BEST TO STAY IN THE WORK FORCE BUT DO NOT HAVE INSURANCE OR ANY FORM OF SOCIAL ASSISTANCE AND DO NOT HAVE THE MEANS TO PAY FOR THEIR HEALTHCARE. CHFC OFFERS SERVICES INCLUDING: NON-EMERGENCY CLINICAL SERVICES, DENTISTRY, SENIOR CITIZEN'S PHARMACEUTICAL PROGRAM, COMMUNITY HEALTH EDUCATION AND COUNSELING, DISEASE/CONDITION SPECIFIC EDUCATION AND COUNSELING. IN ADDITION, THE DENTAL PROGRAM HAS BEEN EXPANDED TO INCLUDE INDIVIDUALS WITH INCOME AT OR BELOW 225% OF FEDERAL POVERTY GUIDELINES.

COMMONWEALTH REGIONAL SPECIALTY HOSPITAL IS A LONG-TERM ACUTE CARE HOSPITAL THAT OPERATES AS A HOSPITAL WITHIN A HOSPITAL BY LEASING 28 BEDS FROM THE MEDICAL CENTER ON THE MEDICAL CENTER'S BOWLING GREEN CAMPUS. IT IS AN ACUTE CARE HOSPITAL FOR THOSE PATIENTS REQUIRING AN EXTENDED

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HOSPITAL STAY (ANTICIPATED LENGTH OF STAY BETWEEN 18-35 DAYS) AND GENERALLY HAVING COMPLEX OR CHRONIC MEDICAL CONDITIONS.

THE MEDICAL CENTER AT FRANKLIN, INC. ("MCF") OPERATES A HOSPITAL IN THE COMMUNITY OF FRANKLIN, SIMPSON COUNTY, KENTUCKY. THIS LOCATION IS JUST 20 MILES FROM THE MEDICAL CENTER'S BOWLING GREEN CAMPUS. MCF IS A MEDICARE DESIGNATED CRITICAL ACCESS HOSPITAL OFFERING ACUTE CARE INPATIENT AND OUTPATIENT PROGRAMS IN ITS 25 BED ACUTE CARE FACILITY.

CHC'S FOR-PROFIT ACTIVITIES INCLUDE URGENTCARE OF BOWLING GREEN, INC. ("URGENTCARE"), HILLCREST CREDIT AGENCY, COMMONWEALTH FINANCIAL RESOURCES AND CENTERCARE HEALTH BENEFIT PROGRAMS.

URGENTCARE IS A WHOLLY-OWNED CORPORATION WHICH SERVES AS A 50% OWNER IN A PRIMARY CARE CENTER.

CHC OWNS AND OPERATES SEVERAL PHYSICIAN PRACTICES EMPLOYING GENERAL PRACTITIONERS, CARDIAC SURGEONS, VASCULAR SURGEONS, NEUROLOGISTS,

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OBSTETRIC/GYNECOLOGISTS, AND PSYCHIATRISTS. IN ADDITION, CHC OPERATES AND PROVIDES VARIOUS CORPORATE SUPPORT SERVICES INCLUDING PATIENT BILLING, COLLECTIONS, ACCOUNTING, MATERIALS MANAGEMENT, ENGINEERING, SECURITY, HUMAN RESOURCES, INFORMATION SYSTEMS, AND ADMINISTRATIVE SUPPORT. CHC HAS ACQUIRED THE PHYSICIAN PRACTICES IN ORDER TO ATTRACT AND RETAIN HIGHLY SKILLED PHYSICIANS IN SPECIALTIES THAT SUPPORT THE MISSION OF CHC AND ITS AFFILIATES.

SINCE 1990, CHC'S WHOLLY-OWNED CENTERCARE HEALTH BENEFITS PROGRAM ("CENTERCARE"), A PREFERRED PROVIDER ORGANIZATION (PPO), HAS ASSISTED EMPLOYERS IN MANAGING THE RISING COST OF THEIR HEALTHCARE. THE PPO OFFERS EMPLOYER GROUPS IN THIS REGION A COMPREHENSIVE NETWORK OF PHYSICIANS AND FACILITIES WITH GREATER COST SAVINGS POTENTIAL THAN OTHER NATIONAL ORGANIZATIONS. TODAY, CENTERCARE SERVICES OVER 105,000 MEMBERS BY PROVIDING ACCESS TO OVER 12,000 PROVIDERS AND 150+ HOSPITALS IN KENTUCKY, TENNESSEE, INDIANA, OHIO, AND ILLINOIS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number: 61-0920842

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JOHN DESMARAIS	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	492,979.	0.	177,503.	113,515.	11,582.	795,579.	0.
2 CONNIE SMITH	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	393,243.	0.	75,417.	28,936.	6,703.	504,299.	0.
3 SARAH MOORE	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	203,586.	0.	9,603.	107,089.	9,072.	329,350.	0.
4 BETSY KULLMAN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	216,228.	0.	9,916.	110,954.	12,614.	349,712.	0.
5 BARBARA JEAN CHERRY	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	343,371.	0.	30,541.	38,236.	12,668.	424,816.	0.
6 RONALD G SOWELL	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	344,712.	0.	54,311.	35,872.	12,268.	447,163.	0.
7 DAVID REEVES	(i)	149,452.	0.	971.	56,169.	17,916.	224,508.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 WADE R STONE	(i)	170,621.	0.	2,018.	5,617.	16,978.	195,234.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 LLOYD ASP	(i)	185,891.	0.	2,559.	98,010.	12,740.	299,200.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 CURTIS BAKER	(i)	153,912.	0.	1,846.	4,265.	5,755.	165,778.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 MELINDA JOYCE	(i)	153,539.	0.	1,335.	26,311.	13,786.	194,971.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 ERIC HAGAN	(i)	167,477.	0.	4,252.	17,558.	19,185.	208,472.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

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

NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

CERTAIN EXECUTIVES OF COMMONWEALTH HEATH CORPORATION PARTICIPATE IN A SUPPLEMENTAL RETIREMENT PLAN. THE CURRENT YEAR INCREASE IN THE ACCRUED BENEFIT, AS ACTUARIALLY DETERMINED, IS REPORTED AS COMPENSATION. THE FOLLOWING ARE THE INDIVIDUALS PARTICIPATING IN THE PLAN AND THE CURRENT YEAR INCREASES REPORTED AS COMPENSATION:

JOHN DESMARAIS $41,804

CONNIE SMITH $42,075

RONALD SOWELL $42,133

JEAN CHERRY $21,349

TRANSITION OF PRESIDENT/CEO

JOHN DESMARAIS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, RETIRED FROM COMMONWEALTH HEALTH CORPORATION ON DECEMBER 24, 2010. MR. DESMARAIS WAS APPOINTED TO SERVE ON THE BOARD OF DIRECTORS OF THE ORGANIZATION SUBSEQUENT TO HIS RETIREMENT. UPON MR. DESMARIAS' RETIREMENT, CONNIE SMITH, WAS APPOINTED PRESIDENT AND CHIEF EXECUTIVE OFFICER BY THE BOARD

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

OF DIRECTORS OF COMMONWEALTH HEALTH CORPORATION. PRIOR TO DECEMBER 24, 2010, MS. SMITH SERVED AS CHIEF OPERATING OFFICER OF COMMONWEALTH HEALTH CORPORATION.

COMPENSATION REPORTED FOR MS. SMITH FOR THE FISCAL YEAR ENDED MARCH 31, 2011 RELATES TO HER SERVICES RENDERED AS CHIEF OPERATING OFFICER PRIOR TO DECEMBER 24, 2010 AND CHIEF EXECUTIVE OFFICER SUBSEQUENT TO DECEMBER 24, 2010. COMPENSATION REPORTED FOR MR. DESMARAIS IS FOR SERVICES RENDERED AS THE CHIEF EXECUTIVE OFFICER OF COMMONWEALTH HEALTH CORPORATION AND HE IS AN UNCOMPENSATED BOARD MEMBER.

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled Financing	
							Yes	No	Yes	No	Yes	No
A	COUNTY OF WARREN, KENTUCKY	61-6000710	934864AA7	03/20/2008	77,010,000	SEE PART V		X		X		X
B	COUNTY OF WARREN, KENTUCKY	61-6000710	934860BT3	03/15/2007	30,885,000	SEE PART V		X		X		X
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	77,010,000.	31,867,132.		
4	Gross proceeds in reserve funds	4,826,038.	2,133,000.		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	42,174,965.	29,096,790.		
7	Issuance costs from proceeds	3,539,477.	637,343.		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	26,469,520.			
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

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

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X			X				
b Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X					
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	2.8000 %		2.0000 %		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0.0000 %		0.0000 %		%		%	
6 Total of lines 4 and 5	2.8000 %		2.0000 %		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2 Is the bond issue a variable rate issue?	X			X				
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X				
b Name of provider	DEUTCHE BANK							
c Term of hedge	30.000							
d Was the hedge superintegrated?		X						
e Was the hedge terminated?		X						
4a Were gross proceeds invested in a GIC?		X		X				
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X				
6 Did the bond issue qualify for an exception to rebate?		X		X				

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

BOND A - DESCRIPTION OF PURPOSE
SCH K, PART 1, LINE A, COLUMN F
TO (1) REFUND THE OUTSTANDING PRINCIPAL AMOUNT OF THE ISSUER'S HOSPITAL REVENUE BONDS, SERIES 1998 (BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION) ISSUED ON JANUARY 15, 1998, (2) FINANCE THE COSTS

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

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

OF MAJOR FACILITY ADDITIONS, INTERIOR RENOVATIONS, EQUIPMENT, AND FURNISHINGS AND SITE DEVELOPMENT AT THE MEDICAL CENTER AT BOWLING GREEN, (3) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS, (4) FUND INTEREST ON

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

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

THE BONDS. AND (5) PAY COSTS OF ISSUING THE BONDS.

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

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

BOND B - DESCRIPTION OF PURPOSE
SCH K, PART 1, LINE B, COLUMN F
TO (1) CURRENTLY REFUND VARIABLE RATE DEMAND HOSPITAL REVENUE BONDS, SERIES 2001 (BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION PROJECT) THAT WERE ISSUED ON AUGUST 2, 2001, (2) FUND A DEBT SERVICE

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

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

RESERVE FUND FOR THE BONDS, AND (3) PAY COSTS OF ISSUING THE BONDS.
BONDS, AND (3) PAY COSTS OF ISSUING THE BONDS.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

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

OMB No 1545-0047

2010

Open To Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

Part II Loans to and/or From Interested Persons.

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

	(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
Total	. . . . . ▶ $										

Part III Grants or Assistance Benefiting Interested Persons.

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

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) SOUTHERN FOODS, INC	JOE NATCHER, OWNER OF SFI	360,713	FOOD SERVICE - SEE PART V		X
(2) GRAVES GILBERT CLINIC	RON SOWELL, OFFICER	18,000	LEASING - SEE PART V		X
(3) GRAVES GILBERT CLINIC	RON SOWELL, OFFICER	57,711	PHYSICIAN SERVICES-SEE PT V		X
(4) AIRGAS MID-AMERICA	B JEAN CHERRY, OFFICER	180,509	MEDICAL SUPPLIES - SEE PT V		X
(5) KAL SAHETYA	DIRECTOR	3,525	LEASING - SEE PART V		X
(6) KIMBERLY JACKSON	ELI JACKSON, DIRECTOR	15,934	COMP OF WIFE - SEE PART V		X
(7) ERIN DEMARAIS	JOHN DEMARAIS, OFFICER	39,917	COMP OF DAUGHTER - SEE PT V		X
(8) STEPHANIE BLACKBURN	DONNA BLACKBURN, DIRECTOR	50,605	COMP OF DTR-IN-LAW - SEE PT V		X
(9) RONNIE MOORE	SARAH MOORE, OFFICER	65,501	COMP OF HUSBAND - SEE PT V		X
(10)					

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

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

SCH L, PART IV, COLUMN D

JOE NATCHER, DIRECTOR FOR BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION ("THE MEDICAL CENTER"), IS THE OWNER OF SOUTHERN FOODS, INC., A FOOD SERVICE DISTRIBUTOR. SOUTHERN FOODS, INC. SUPPLIES BCWCCHC WITH FOOD AND RELATED ITEMS. ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS.

RONALD SOWELL IS AN OFFICER OF THE MEDICAL CENTER. MR. SOWELL'S WIFE, DR. DEBRA SOWELL, IS THE MEDICAL DIRECTOR OF GRAVES GILBERT CLINIC (GGC). THE MEDICAL CENTER LEASES PROPERTY TO GGC AND ALSO PURCHASES PHYSICIAN SERVICES FROM THEM. ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS.

BARBARA JEAN CHERRY IS AN EXECUTIVE VICE PRESIDENT FOR THE MEDICAL CENTER. MRS. CHERRY'S SPOUSE IS THE CHIEF FINANCIAL OFFICER OF AIRGAS MID-AMERICA. AIRGAS MID-AMERICA SUPPLIES MEDICAL GAS TO THE MEDICAL CENTER. JEAN CHERRY DOES NOT PARTICIPATE IN THE NEGOTIATIONS OF CONTRACTS WITH AIRGAS MID-AMERICA AND ALL TRANSACTIONS ARE CONDUCTED ON AN ARM'S

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

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

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

LENGTH BASIS.

DR. KAL SAHETYA IS A DIRECTOR OF THE MEDICAL CENTER. DR. SAHETYA RENTS SPACE AT MEDICAL PLAZA PARTNERS, LTD, A PARTNERSHIP MORE THAN 80% OWNED BY THE MEDICAL CENTER. ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS.

JOHN DESMARAIS SERVED AS PRESIDENT OF THE MEDICAL CENTER. MR. DESMARAIS' DAUGHTER, ERIN DESMARAIS, IS EMPLOYED BY THE MEDICAL CENTER.

DONNA BLACKBURN SERVES AS A DIRECTOR OF THE MEDICAL CENTER. MS. BLACKBURN'S DAUGHTER-IN-LAW, STEPHANIE BLACKBURN, IS EMPLOYED BY THE MEDICAL CENTER.

ELI JACKSON SERVES AS A DIRECTOR OF THE MEDICAL CENTER. MR. JACKSON'S WIFE, KIMBERLY JACKSON, IS EMPLOYED BY THE MEDICAL CENTER.

SARAH MOORE SERVES AS AN OFFICER OF THE MEDICAL CENTER. MS. MOORE'S

Part IV Business Transactions Involving Interested Persons.

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

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information

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

HUSBAND, RONNIE MOORE, IS EMPLOYED BY THE MEDICAL CENTER.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

PROGRAM SERVICE ACCOMPLISHMENTS

FORM 990, PART III, LINE 4A

ORGANIZATION

BOWLING GREEN - WARREN COUNTY COMMUNITY HOSPITAL CORPORATION, DBA THE MEDICAL CENTER ("THE MEDICAL CENTER"), A KENTUCKY NON-STOCK, NON-PROFIT CORPORATION EXEMPT FROM INCOME TAXES UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986, WAS ESTABLISHED TO ACT AND OPERATE EXCLUSIVELY FOR CHARITABLE PURPOSES SERVING THE LOCAL CITY, COUNTY AND SURROUNDING COUNTIES IN SOUTH-CENTRAL KENTUCKY. BEGUN IN 1926, THE MEDICAL CENTER HAS A RICH HERITAGE OF SERVING OUR COMMUNITY'S HEALTHCARE NEEDS AND BEING THE LEADER IN PROVIDING QUALITY CARE IN A TECHNOLOGICALLY ADVANCED SETTING. THE MEDICAL CENTER IS LICENSED BY THE CABINET FOR HEALTH AND FAMILY SERVICES, COMMONWEALTH OF KENTUCKY, PURSUANT TO KRS CHAPTER 216B AND THE REGULATIONS PROMULGATED THEREUNDER. OPERATING WITH CAMPUSES IN BOWLING GREEN, KY AND SCOTTSVILLE, KY, THE MEDICAL CENTER LICENSED BEDS INCLUDE:

	BOWLING GREEN	SCOTTS-VILLE	TOTAL
ACUTE CARE	301		301
CRITICAL ACCESS ACUTE		25	25

Name of the organization: BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number: 61-0920842

PSYCHIATRIC	36		36
NURSING FACILITY		110	110
SUBTOTAL - BEDS	337	135	472

SERVICES

THE MEDICAL CENTER IS PRIMARILY ENGAGED IN PROVIDING TO INPATIENTS, BY OR UNDER THE SUPERVISION OF PHYSICIANS, DIAGNOSTIC AND THERAPEUTIC SERVICES FOR MEDICAL DIAGNOSIS, TREATMENT, AND CARE OF INJURED, DISABLED, OR SICK PERSONS, OR REHABILITATION SERVICES FOR THE REHABILITATION OF INJURED, DISABLED, OR SICK PERSONS. AS A HOSPITAL, IT MAINTAINS CLINICAL RECORDS ON ALL PATIENTS AND HAS BYLAWS IN EFFECT CONCERNING ITS STAFF OF PHYSICIANS. IT REQUIRES THAT EVERY PATIENT MUST BE UNDER THE CARE OF A PHYSICIAN AND PROVIDES 24-HOUR NURSING SERVICE BY OR SUPERVISED BY A REGISTERED PROFESSIONAL NURSE, AND HAS A LICENSED PRACTICAL NURSE OR REGISTERED PROFESSIONAL NURSE ON DUTY AT ALL TIMES. IT HAS IN EFFECT A HOSPITAL UTILIZATION REVIEW PLAN AND IS LICENSED OR IS APPROVED BY THE STATE OF KENTUCKY AS MEETING THE STANDARDS ESTABLISHED FOR SUCH LICENSING. IT ALSO MEETS OTHER HEALTH AND SAFETY REQUIREMENTS OF THE SECRETARY OF HEALTH AND HUMAN SERVICES.

SERVICES OFFERED INCLUDE:

- ACUTE MEDICAL CARE
- SKILLED MEDICAL CARE

Name of the organization: BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number: 61-0920842

- INTENSIVE/CORONARY CARE
- PHARMACY
- INVASIVE CARDIOLOGY
- PHYSICAL THERAPY
- LABORATORY, CLINICAL AND PATHOLOGY
- RADIATION MEDICINE (INPATIENT / OUTPATIENT ONCOLOGY)
- HOME HEALTH SERVICES
- SURGICAL INPATIENT SERVICES
- SURGICAL OUTPATIENT SERVICES
- EMERGENCY ROOM SERVICES
- OUTPATIENT SERVICES
- RESPIRATORY THERAPY SERVICES
- RADIOLOGY, INCLUDING MAMMOGRAPHY, DIAGNOSTIC X-RAY, NUCLEAR MEDICINE, CAT SCANNING, ULTRASOUND, CARDIOLOGY, POSITRON EMISSION TOMOGRAPHY

THE MEDICAL CENTER'S PROFESSIONAL STAFF INCLUDES PHYSICIANS WHO ARE ENGAGED IN THE PRACTICE OF MEDICINE AND WHO REPRESENT MULTIPLE SPECIALTIES, INCLUDING FAMILY PRACTICE AND EMERGENCY CARE. THE STAFF ALSO INCLUDES NURSES, PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPISTS, PSYCHOLOGISTS, RESPIRATORY THERAPISTS, NUTRITIONISTS AND OTHERS. USING AN INTERDISCIPLINARY TEAM APPROACH, THE STAFF WORK COLLABORATIVELY TO PROVIDE PRIMARY OUTPATIENT CARE, RENDERED IN AN EMERGENCY ROOM AND OUTPATIENT SETTING, AND SECONDARY CARE CONSISTING OF INPATIENT SERVICES OF A GENERAL AND SPECIALIZED NATURE.

Name of the organization	Employer identification number
BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842

COMMUNITY BENEFIT AND CHARITY

AS A HOSPITAL, THE MEDICAL CENTER:

(1) IS ORGANIZED AS A NONPROFIT CHARITABLE ORGANIZATION FOR THE PURPOSE OF OPERATING AS A HOSPITAL FOR THE CARE OF THE SICK,

(2) IS OPERATED FOR THE CARE OF ALL PERSONS IN THE COMMUNITY REGARDLESS OF ABILITY TO PAY THE COST THEREOF, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT,

(3) WILL NOT RESTRICT USE OF ITS FACILITIES TO A PARTICULAR GROUP OF PHYSICIANS AND SURGEONS TO THE EXCLUSION OF ALL OTHER QUALIFIED DOCTORS, AND

(4) WILL NOT PERMIT ANY OF ITS EARNINGS TO INURE DIRECTLY OR INDIRECTLY TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL.

THE MEDICAL CENTER PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES. BECAUSE THE MEDICAL CENTER DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, REVENUE IS NOT RECORDED FOR SUCH SERVICES.

THE MEDICAL CENTER MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF

Name of the organization	Employer identification number
BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842

CHARITY CARE THEY PROVIDE. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THEIR CHARITY CARE POLICY. OTHER UNCOMPENSATED CARE RELATES PRINCIPALLY TO CONTRACTUAL ALLOWANCES FOR GOVERNMENT PAYERS, DISCOUNTS TAKEN BY COMMERCIAL PAYERS AND BAD DEBTS.

BENEFITS FOR THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES OR WHO ARE UNINSURED. THIS INCLUDES TRADITIONAL CHARITY CARE AT STANDARD BILLING RATES AND THE COSTS OF TREATING MEDICAID BENEFICIARIES IN EXCESS OF GOVERNMENT PAYMENTS. THE MEDICAL CENTER DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO BE TRADITIONAL CHARITY CARE. THEREFORE, THESE AMOUNTS ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUE.

BENEFITS FOR THE BROADER COMMUNITY INCLUDE SERVICES PROVIDED TO OTHER NEEDY INDIVIDUALS WHO MAY NOT QUALIFY AS INDIGENT BUT WHO NEED SPECIAL SERVICES AND SUPPORT. EXAMPLES INCLUDE THE ELDERLY, SUBSTANCE ABUSERS, VICTIMS OF CHILD ABUSE, AND THE DISABLED. THEY ALSO INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION, HEALTH CLINICS AND SCREENINGS, AND THE UNREIMBURSED COST OF MEDICAL TRAINING, WHICH BENEFIT THE BROADER COMMUNITY.

IN ADDITION TO THE ABOVE, THE MEDICAL CENTER PROVIDES A WIDE RANGE OF COMMUNITY BENEFITS INCLUDING COORDINATION OF CHARITABLE ACTIVITIES BY THE MEDICAL CENTER STAFF AND PROVIDING MEDICAL CENTER SPACE FOR COMMUNITY

Name of the organization: BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number: 61-0920842

GROUPS THAT CANNOT BE QUANTIFIED.

SIGNIFICANT PROGRAM SERVICE ACHIEVEMENTS

DAYS OF ACUTE PATIENT CARE (INCLUDING NURSERY)	87,750
DAYS OF SKILLED NURSING CARE	38,395
BIRTHS	2,324
OPEN HEART PROCEDURES	278
SURGERIES	13,583
EMERGENCY ROOM VISITS	52,002
AMBULANCE RUNS	18,308

MEMBERS OF THE ORGANIZATION

FORM 990, PART VI, SECTION A, LINE 6 & 7

ARTICLE 2 OF THE BYLAWS IDENTIFIES COMMONWEALTH HEALTH CORPORATION BOARD OF DIRECTORS AS THE MEMBER.

ARTICLE 2 OF THE BYLAWS SAYS THE MEMBER SHALL APPOINT A NOMINATING COMMITTEE WHICH SHALL MEET AND DESIGNATE NOMINEES FOR ALL POSITIONS TO BE FILLED BY APPOINTMENT BY THE MEMBER.

REVIEW OF FORM 990

FORM 990, PART VI, SECTION B, LINE 11

FORM 990 IS PLACED ELECTRONICALLY ON A COMPANY WEBSITE USED TO SHARE INFORMATION WITH BOARD MEMBERS. EACH BOARD MEMBER IS PROVIDED ACCESS TO THIS WEBSITE AND IS ASKED TO REVIEW FORM 990 PRIOR TO A DESIGNATED DATE ON WHICH THE RETURN WILL BE FILED. AT LEAST TWO WEEKS OF ADVANCE NOTICE

IS GIVEN TO BOARD MEMBERS SO THEY MAY REVIEW THE RETURN.

MONITORING THE CONFLICT ON INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12C

THE COMMONWEALTH HEALTH CORPORATION (CHC) (APPLICABLE TO THE CORPORATION AND/OR ITS AFFILIATES) CODE OF CONDUCT EXPLICITLY STATES MEMBERS OF THE BOARD, ADMINISTRATION, THE MEDICAL STAFF AND ALL EMPLOYEES ARE EXPECTED TO AVOID CONFLICTS OF INTEREST. FURTHER, IT REQUIRES DISCLOSURE OF ANY POTENTIAL CONFLICTS OF INTEREST IN A TIMELY MANNER. ALL INDIVIDUALS SIGN AN ACKNOWLEDGEMENT UPON EMPLOYMENT THAT THEY HAVE RECEIVED A COPY OF THE CODE OF CONDUCT, ARE FAMILIAR WITH ITS CONTENT AND UNDERSTAND THEIR RESPONSIBILITIES TO AVOID NON-COMPLIANT ACTIVITY. CHC'S REGULATORY COMPLIANCE COMMITTEE (RCC) REVIEWS AND APPROVES ALL CONTRACTS FOR CHC AND/OR ITS AFFILIATES. THE REVIEW IS DESIGNED TO IDENTIFY POTENTIAL CONFLICTS OF INTEREST BY BOARD MEMBERS AND/OR OFFICERS. RCC MEMBERS ARE PROHIBITED FROM TAKING PART IN DECISIONS REGARDING TRANSACTIONS WITH WHICH HE/SHE HAS A CONFLICT OF INTEREST. ANNUALLY, WRITTEN INQUIRY IS MADE BY QUESTIONNAIRE OF BOARD MEMBERS AND OFFICERS SEEKING DISCLOSURE OF CONFLICTS OF INTEREST OR INFORMATION THAT RELATES TO FAMILY MEMBERS. TRANSACTIONS ARISING ARE REVIEWED BY MANAGEMENT AS THEY OCCUR.

PROCESS FOR DETERMINING COMPENSATION

FORM 990, PART VI, LINES 15A AND 15B

COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER IS SET BY THE REGULATORY COMPLIANCE COMMITTEE (RCC) OF THE BOARD OF DIRECTORS. COMPENSATION FOR OFFICERS OF THE CORPORATION IS REVIEWED BY THE SAME COMMITTEE.

Name of the organization	Employer identification number
BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842

THE RCC RETAINS AN INDEPENDENT CONSULTANT TO CONDUCT ANNUAL SURVEYS OF COMPENSATION FOR SIMILAR POSITIONS IN THE HEALTHCARE INDUSTRY AND USES ITS REPORT IN ITS COMPENSATION DECISION.

MAKING DOCUMENTS AVAILABLE TO THE PUBLIC

FORM 990, PART VI, LINE 19

DOCUMENTS ARE MADE AVAILABLE IF REQUIRED AND IN THE MANNER REQUIRED BY GOVERNING AGENCY OR BOND AUTHORITY.

HOURS DEVOTED TO RELATED ORGANIZATIONS

FORM 990, PART VII, SECTION A, COLUMN B

THE FOLLOWING DIRECTORS AND/OR OFFICERS ARE PAID BY COMMONWEALTH HEALTH CORPORATION AS FULL TIME EMPLOYEES. IT IS ESTIMATED THAT THEIR AVERAGE HOURS PER WEEK, AS REPORTED ON THE COMMONWEALTH HEALTH CORPORATION'S FORM 990, PART VII ARE 40 HOURS. HOWEVER, THEIR TOTAL HOURS DEVOTED ON A SYSTEM-WIDE BASIS WOULD BE IN EXCESS OF 40.

JOHN DESMARAIS

CONNIE D. SMITH

BARBARA JEAN CHERRY

RONALD G. SOWELL

TRANSITION OF PRESIDENT/CEO

FORM 990, PART VII

JOHN DESMARAIS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, RETIRED FROM

Name of the organization: BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number: 61-0920842

COMMONWEALTH HEALTH CORPORATION ON DECEMBER 24, 2010. MR. DESMARAIS WAS APPOINTED TO SERVE ON THE BOARD OF DIRECTORS OF THE ORGANIZATION SUBSEQUENT TO HIS RETIREMENT. UPON MR. DESMARIAS' RETIREMENT, CONNIE SMITH, WAS APPOINTED PRESIDENT AND CHIEF EXECUTIVE OFFICER BY THE BOARD OF DIRECTORS OF COMMONWEALTH HEALTH CORPORATION. PRIOR TO DECEMBER 24, 2010, MS. SMITH SERVED AS CHIEF OPERATING OFFICER OF COMMONWEALTH HEALTH CORPORATION.

COMPENSATION REPORTED FOR MS. SMITH FOR THE FISCAL YEAR ENDED MARCH 31, 2011 RELATES TO HER SERVICES RENDERED AS CHIEF OPERATING OFFICER PRIOR TO DECEMBER 24, 2010 AND CHIEF EXECUTIVE OFFICER SUBSEQUENT TO DECEMBER 24, 2010. COMPENSATION REPORTED FOR MR. DESMARAIS IS FOR SERVICES RENDERED AS THE CHIEF EXECUTIVE OFFICER OF COMMONWEALTH HEALTH CORPORATION AND HE IS AN UNCOMPENSATED BOARD MEMBER.

RECONCILIATION OF NET ASSETS

FORM 990, PART XI, LINE 5

OTHER CHANGES IN NET ASSETS:

CHANGE IN FAIR VALUE OF INTEREST RATE SWAP	$1,072,325
CHANGE IN MINIMUM PENSION LIABILITY	$ 997,181
UNREALIZED GAINS	($2,212,059)
	$ 142,553

Name of the organization: BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number: 61-0920842

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ARAMARK CTS, INC 12483 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	BIOMEDICAL SERVICES	2,877,910.
WEHR CONSTRUCTORS, INC. 2517 PLANTSIDE DRIVE LOUISVILLE, KY 40299	CONSTRUCTION SERVICE	3,192,126.
MORRISON MANAGEMENT SPECIALIST, INC. PO BOX 102289 ATLANTA, GA 30368	CAFETERIA	1,694,323.
LOGANS UNIFORM RENTAL, INC. PO BOX 6493958 CINCINNATI, OH 45264	LAUNDRY	1,513,836.
PHILIPS MEDICAL SYSTEMS PO BOX 100355 ATLANTA, GA 30384	SERVICE CONTRACTS	537,669.
	TOTAL COMPENSATION	9,815,864.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

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
(1) MEDICAL CENTER PHARMACY OF BOWLING GREEN 06-1778164 800 PARK STREET BOWLING GREEN, KY 42101	PHARMACY	KY	3,665,646.	1,250,172.	N/A
(2) MEDICAL CENTER EMS, LLC 56-2332847 800 PARK STREET BOWLING GREEN, KY 42101	EMERG MED SVC	KY	5,740,388.	715,270.	N/A
(3) BLUEGRASS OUTPATIENT CTR OF BOWLING GRN 26-3564003 800 PARK STREET BOWLING GREEN, KY 42101	OUTPATIENT	KY	0.	0.	N/A
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) THE MEDICAL CENTER AT FRANKLIN, INC 61-1362001 800 PARK STREET BOWLING GREEN, KY 42101	HOSPITAL	KY	501(C)(3)	3	CHC, INC.		X
(2) COMMONWEALTH HEALTH CORPORATION, INC 31-1118087 800 PARK STREET BOWLING GREEN, KY 42101	SUPPORT	KY	501(C)(3)	9	N/A		X
(3) COMMONWEALTH REGIONAL SPECIALTY HOSPITAL 54-2142034 800 PARK STREET BOWLING GREEN, KY 42101	HOSPITAL	KY	501(C)(3)	3	CHC, INC.		X
(4) COMMONWEALTH HEALTH FREE CLINIC, INC 61-1292739 800 PARK STREET BOWLING GREEN, KY 42101	HEALTHCARE	KY	501(C)(3)	3	CHC, INC.		X
(5) COMMONWEALTH HEALTH FOUNDATION, INC. 61-1362000 800 PARK STREET BOWLING GREEN, KY 42101	SUPPORT	KY	501(C)(3)	7	CHC, INC.		X
(6)							
(7)							

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) URGENTCARE PROPERTIES 61-11972 800 PARK STREET BG, KY 42101	REAL ESTATE	KY	N/A	N/A	0	0		X	0		X	0 0000
(2) MEDICAL PLAZA PARTNERS, LTD 61 800 PARK STREET BG, KY 42101	REAL ESTATE	KY	BGWCCHC	RELATED	234,969	570,782		X	0		X	92 2600
(3)												
(4)												
(5)												
(6)												
(7)												

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
(1) URGENTCARE OF BOWLING GREEN, INC 61-1035393 800 PARK STREET BOWLING GREEN, KY 42101	HEALTHCARE	KY	N/A	C	0	0	0 0000
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

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

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

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

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

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	COMMONWEALTH HEALTH CORPORATION	0	28,324,835.	FMV
(2)	COMMONWEALTH HEALTH CORPORATION	J	453,820.	FMV
(3)	COMMONWEALTH HEALTH CORPORATION	P	334,662.	FMV
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

Part VII Supplemental Information

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

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center

Accountants' Report and Consolidated Financial Statements

March 31, 2011 and 2010

BKD LLP
CPAs & Advisors

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center

Consolidated Financial Statements

Years Ended March 31, 2011 and 2010

Contents

BKD LLP
CPAs & Advisors

220 W Main Street, Suite 1700
PO Box 1178
Louisville, KY 40201-1178
502 581 0435 Fax 502 581 0723 www.bkd.com

Independent Accountants' Report

Board of Directors
Bowling Green – Warren County
Community Hospital Corporation
Bowling Green, Kentucky

We have audited the accompanying consolidated balance sheets of Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center (Medical Center) as of March 31, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These consolidated financial statements are the responsibility of the Medical Center's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Medical Center as of March 31, 2011 and 2010, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

August 2, 2011

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center

Consolidated Balance Sheets

	March 31 2011	2010
Assets		
Current assets		
Cash and cash equivalents	$ 8,052,845	$ 10,602,324
Patient accounts receivable, net of allowance; 2011 - $14,900,000, 2010 - $15,400,000	28,483,462	28,913,674
Inventories	5,986,354	5,610,284
Prepaid expenses and other current assets	7,761,408	2,896,896
Current portion of assets limited as to use	3,133,782	2,687,130
Total current assets	53,417,851	50,710,308
Assets limited as to use	126,732,965	105,657,361
Property and equipment - net	100,289,452	103,043,092
Other assets		
Deferred financing charges, net	3,268,192	3,531,858
Long-term receivables	2,016,049	4,234,556
Other assets	2,619,777	2,274,528
Total other assets	7,904,018	10,040,942
Total assets	$ 288,344,286	$ 269,451,703
Liabilities and net assets		
Current liabilities:		
Accounts payable	$ 5,017,373	$ 7,536,304
Accrued salaries and withholdings	4,895,689	4,654,623
Accrued vacation	6,103,234	5,714,261
Accrued expenses	4,255,209	4,708,251
Amounts due to Medicare and Medicaid - estimated	3,416,764	917,731
Current portion of long-term debt	5,299,881	5,248,354
Total current liabilities	28,988,150	28,779,524
Amounts due to affiliated companies	1,796,262	1,242,402
Other long-term liabilities		
Interest rate swap agreement	4,569,020	3,496,695
Pension	22,688,943	17,771,805
Total other long-term liabilities	27,257,963	21,268,500
Long-term debt, less current portion	105,865,888	111,546,851
Net assets		
Unrestricted net assets	122,982,366	105,261,492
Permanently restricted net assets	1,453,657	1,352,934
Total net assets	124,436,023	106,614,426
Total liabilities and net assets	$ 288,344,286	$ 269,451,703

See accompanying notes to the consolidated financial statements

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended March 31 2011	2010
Unrestricted revenue		
Net patient service revenue	$ 265,385,235	$ 267,280,543
Other revenue	16,096,795	13,506,062
Total unrestricted revenue	281,482,030	280,786,605
Operating expenses		
Employee compensation	86,508,393	85,024,323
Payroll taxes and employee benefits	26,637,320	29,107,885
Professional fees	36,486,976	35,041,817
Provision for bad debts	12,449,800	12,979,854
Supplies and expenses	73,250,576	68,339,731
Depreciation and amortization	14,059,082	14,032,191
Interest	4,854,511	4,894,126
Provider tax	4,004,659	4,008,505
Other expenses	8,894,129	8,928,839
Total expenses	267,145,446	262,357,271
Income from operations	14,336,584	18,429,334
Nonoperating gains (losses):		
Change in fair value of interest rate swap agreement	(1,072,325)	6,006,178
Investment return	5,453,796	9,531,829
Total nonoperating gains (losses)	4,381,471	15,538,007
Excess of revenue over expenses	18,718,055	33,967,341

Continued on next page

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center

Consolidated Statements of Operations and Changes in Net Assets (Continued)

	Years Ended March 31	
	2011	2010
Unrestricted net assets		
Excess of revenue over expenses	$ 18,718,055	$ 33,967,341
Change in minimum pension liability	(997,181)	2,337,551
Increase in unrestricted net assets	17,720,874	36,304,892
Permanently restricted net assets		
Investment return	100,723	222,846
Increase in permanently restricted net assets	100,723	222,846
Increase in net assets	17,821,597	36,527,738
Net assets, beginning of year	106,614,426	70,086,688
Net assets, end of year	$ 124,436,023	$ 106,614,426

See accompanying notes to the consolidated financial statements

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center

Consolidated Statements of Cash Flows

	Years Ended March 31 2011	2010
Operating activities and nonoperating gains		
Change in net assets	$ 17,821,597	$ 36,527,738
Adjustments to reconcile change in net assets to net cash provided by operating activities and nonoperating gains (losses)		
Depreciation and amortization	14,059,082	14,032,191
Provision for bad debts	12,449,800	12,979,854
Change in fair value of interest rate swap agreement	1,072,325	(6,006,178)
Change in minimum pension liability	997,181	(2,337,551)
(Gain) loss on disposal of property and equipment	(69,344)	44,781
Other changes in operating assets and liabilities:		
Increase in patient accounts receivable	(12,019,588)	(14,889,485)
Increase in investments	(21,522,256)	(2,319,172)
Increase in inventories	(376,070)	(259,590)
(Increase) decrease in other assets	(5,209,761)	210,069
(Decrease) increase in accounts payable and accrued expenses	(1,292,063)	1,916,336
Increase (decrease) in pension	3,919,957	(16,637,666)
Increase in amounts due to Medicare and Medicaid - estimated	2,499,033	7,923,458
Increase in amounts due to affiliated companies	553,860	266,554
Net cash provided by operating activities and nonoperating gains	12,883,753	31,451,339
Investing activities		
Purchases of property and equipment	(12,372,147)	(25,897,958)
Proceeds from sale of property and equipment	310,559	11,500
Decrease (increase) in long-term receivables	2,218,507	(1,295,334)
Net cash used in investing activities	(9,843,081)	(27,181,792)
Financing activities		
Proceeds from long-term borrowings	-	248,560
Repayments of long-term debt	(5,590,151)	(5,572,561)
Net cash used in financing activities	(5,590,151)	(5,324,001)
Decrease in cash and cash equivalents	(2,549,479)	(1,054,454)
Cash and cash equivalents at beginning of year	10,602,324	11,656,778
Cash and cash equivalents at end of year	$ 8,052,845	$ 10,602,324
Noncash transactions		
Property and equipment included in accounts payable	$ 185,383	$ 1,235,254

See accompanying notes to the consolidated financial statements

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center
Notes to Consolidated Financial Statements
March 31, 2011 and 2010

1. Organization and Accounting Policies

Nature or Operations and Organization

The consolidated financial statements include the accounts of Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center and Medical Plaza Partners Ltd. (MPP) (collectively, the Medical Center), two of several organizations controlled by Commonwealth Health Corporation, Inc. (Corporation), a nonprofit organization. The Corporation (parent) operates certain other organizations which conduct business with the Medical Center (see Note 9) The Medical Center, with operations in Bowling Green and Scottsville, Kentucky, provides inpatient, outpatient, emergency care services and long-term care services primarily for residents located in South Central Kentucky.

Principles of Consolidation

The consolidated financial statements include the transactions and accounts of the Medical Center and MPP. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with a maturity at the time of acquisition of three months or less when purchased.

Patient Accounts Receivable

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

1. Organization and Accounting Policies (continued)

Inventories

Inventories (principally pharmaceuticals and supplies) are stated at the lower of cost (average cost method), or market.

Assets Limited as to Use

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. The Medical Center classifies all of its debt and equity securities as trading securities; as a result unrealized gains and losses are included in investment return in nonoperating gains (losses) in the consolidated statements of operations and changes in net assets. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value and realized gains and losses on other investments. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of operations and changes in net assets as unrestricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions

Unrestricted resources which are designated by the board of directors for special uses and depreciation reserve funds are reported as assets limited as to use. The Medical Center's policy is to fund depreciation as cash is available. Amounts so funded are intended for the replacement, expansion or improvement of the Medical Center's facilities. Amounts required to meet current liabilities of the Medical Center are reported as current assets in the consolidated balance sheets at March 31, 2011 and 2010

Funds on deposit with trustees in connection with various bond indentures are to be used only for interest, retiring indebtedness or capital expenditures as specified by the various bond indenture agreements.

Property and Equipment

Property and equipment is recorded on the basis of cost. Donated assets are recorded at their fair market value at the date of donation. Leases, which are substantially installment purchases of property, are recorded as assets and amortized over their estimated useful lives. Amortization of property purchased under capital lease arrangements is included in depreciation and amortization expense. The Medical Center records depreciation on the straight-line method over the estimated useful lives of the assets. Equipment is depreciated over a three to 15 year useful life range, land improvements are depreciated over a five to 20 year useful life range and buildings are depreciated over a five to 40 year useful life range. Useful lives of assets are determined in accordance with the American Hospital Association's *Estimate Useful Lives of Depreciable Hospital Assets.*

1. Organization and Accounting Policies (continued)

Long-lived Asset Impairment

The Medical Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended March 31, 2011 and 2010

Deferred Financing Costs

The Medical Center's policy is to amortize deferred financing costs ratably over the life of the bonds. Accumulated amortization was approximately $841,000 and $577,000 as of March 31, 2011 and 2010, respectively.

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity.

The Medical Center is an income beneficiary of a trust fund held by others. The Medical Center has recorded as an asset the net present value of the estimated income to be received from this trust. This permanently restricted asset is required by the donors to be maintained by the Medical Center in perpetuity.

Net Patient Service Revenue

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

Operating Activities and Nonoperating Gains (Losses)

Only those activities directly associated with the furtherance of the Medical Center's primary mission are considered to be operating activities. Other activities that result in gains and losses are considered to be nonoperating gains (losses). Nonoperating gains (losses) include changes in the fair value of interest rate swaps and investment return.

1. Organization and Accounting Policies (continued)

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets includes excess of revenue over expenses Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include changes in additional minimum pension liabilities and permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

Functional Expenses

The Medical Center's general and administrative costs represented approximately 9% of total expenses for each of the years ended March 31, 2011 and 2010.

Income Tax Status

Most of the income received by the Medical Center is exempt from taxation under Section 501(a) of the Internal Revenue Code. Some of its income is subject to taxation as unrelated business income. The Medical Center files federal income tax returns, as well as an income tax return in Kentucky. The Medical Center is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2008.

Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken in a tax return. Topic 740 also provides guidance on description, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Medical Center does not have any uncertain tax positions recognized for 2011 or 2010.

The Medical Center's practice is to recognize interest and/or penalties related to income tax matters in income tax expense.

2. Charity and Community Benefit Care (Unaudited)

The Medical Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Other uncompensated care relates principally to contractual allowances from government payers, discounts taken by commercial payers and bad debts.

The following summary quantifies additional community benefit expense stated at cost in terms of uncompensated care, services to the poor and benefits to the broader community during the fiscal year 2011:

Charity care (free or discounted care for uninsured people whose incomes met certain poverty guidelines)	$ 10,767,000
Unpaid cost of Medicaid	6,061,272
Community health improvement (includes free community health fairs, screenings, community health education classes and health and wellness projects)	3,099,220
Health professionals education (scholarships and funding for education)	2,598,533
Subsidized health services (includes emergency care, obstetrical service line and behavioral health services for which reimbursements do not cover the full cost and Kentucky provider tax to fund care)	4,748,145
Financial and in-kind contributions	520,510
Total charity care and other benefits	27,794,680
Community building activities	337,748
Bad debt (services provided in which payment is expected, but never received)	2,814,907
Unpaid cost of Medicare	15,953,360
Total	$ 46,900,695

Community benefits expense represents approximately 18% of total expenses for the fiscal year ended 2011.

3. Net Patient Service Revenue

The Medical Center has agreements with third-party payers (principally Medicare and Medicaid) that provide for payments at amounts different from their established rates. A summary of the payment arrangements with major third-party payers is described in the following paragraphs.

3. Net Patient Service Revenue (continued)

Inpatient medical and surgical acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Medicare payments for home health and most hospital outpatient services are made based upon the patient's diagnosis. Long-term care services are reimbursed based on prospectively determined rates. Medicare revenue was approximately 34% of net patient service revenue for the years ended March 31, 2011 and 2010.

The Medicaid program reimburses the Medical Center on a prospectively determined rate per patient day for inpatient services and on the basis of cost, as defined, for outpatient, home health and long-term care services. Medicaid revenue was approximately 5% and 6% of net patient service revenue for the years ended March 31, 2011 and 2010, respectively. In June 2009, the Medical Center entered into a settlement agreement with the state of Kentucky related to claims prior to January 5, 2009, in the amount of $8,939,656 which was included in net patient service revenue for 2009 The settlement was paid in eight quarterly installments through December 2010. The Medical Center has recorded a receivable related to the settlement of $0 and $1,489,943 at March 31, 2011 and 2010, which is included in the consolidated balance sheets in amounts due from/to Medicare and Medicaid – estimated.

The Medical Center also recorded a receivable and related revenue of approximately $1,500,000 related to electronic health record funding available under the Medicaid program with the state of Kentucky, which is included in the consolidated financial statements in prepaid expenses and other current assets and other revenue for 2011.

In the health care industry, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. Compliance with health care industry laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Medical Center's excess of revenue over expenses (decreased) increased by approximately $(79,000) and $680,000 in fiscal years 2011 and 2010, respectively, as a result of changes in estimated settlements payable to Medicare and Medicaid.

The Commonwealth of Kentucky (Commonwealth) imposes a tax on health care providers. The Commonwealth also provides for a system of reimbursement for services provided to certain Medicaid patients and other patients meeting specified income guidelines. Provider tax expense for the years ended March 31, 2011 and 2010, was approximately $4,005,000 and $4,008,000, respectively. Net patient service revenue includes approximately $3,366,000 and $3,572,000 of reimbursement for indigent care provided for the years ended March 31, 2011 and 2010, respectively.

3. Net Patient Service Revenue (continued)

Medicare reimbursements and the diagnosis upon which payment is based and disproportionate share payments are subject to review by Medicare representatives. Provision has been made for the estimated effect of review and audits by the program. In the opinion of management, adequate provision has been made in the financial statements for any adjustments that may result from such audits.

Blue Cross revenue was approximately 19% and 18% of net patient service revenue for the years ended March 31, 2011 and 2010, respectively. Center Care was approximately 15% and 16% of net patient service revenue for the years ended March 31, 2011 and 2010, respectively.

4. Investments and Investment Return

Assets limited as to use at March 31 include:

	2011	2010
Restricted under bond indenture agreements:		
Cash and cash equivalents	$ 7,854,783	$ 15,132,328
Guaranteed investment contract	4,826,038	4,826,038
	12,680,821	19,958,366
Designated by board for replacement, expansion and improvement of facilities:		
Cash and cash equivalents	15,434,246	16,691,856
Equity securities	16,924,101	2,087,117
Mutual funds - large cap U.S. companies	9,101,031	15,417,747
Mutual funds - mid and small cap U.S. companies	3,427,047	5,609,772
Mutual funds - emerging markets	3,643,903	6,297,319
Government agency obligations	67,201,941	40,929,380
	115,732,269	87,033,191
Permanently restricted by donor:		
Cash and cash equivalents	16,087	41,041
Equity securities	1,437,570	1,311,893
	1,453,657	1,352,934
	129,866,747	108,344,491
Less amount required to meet current obligations	3,133,782	2,687,130
	$126,732,965	$105,657,361

4. Investments and Investment Return (continued)

Total investment return is comprised of the following:

	2011	2010
Interest and dividend income	$ 1,951,094	$ 1,345,106
Realized gains (losses) on trading securities	1,391,366	(977,868)
Net unrealized gains on trading securities	2,212,059	9,387,437
	$ 5,554,519	$ 9,754,675

Total investment return is reflected in the statement of operations and changes in net assets as follows:

	2011	2010
Unrestricted net assets		
Nonoperating gains	$ 5,453,796	$ 9,531,829
Permanently restricted net assets	100,723	222,846
	$ 5,554,519	$ 9,754,675

5. Property and Equipment

Property and equipment consist of the following at March 31.

	2011	2010
Land and land improvements	$ 12,714,630	$ 12,845,128
Buildings	134,606,652	114,040,913
Equipment	138,339,967	134,906,813
Construction in process	316,210	17,084,330
	285,977,459	278,877,184
Less accumulated depreciation and amortization	185,688,007	175,834,092
	$ 100,289,452	$ 103,043,092

FASB Accounting Standards Codification Topic 410 clarified when an entity is required to recognize a liability for a conditional asset retirement obligation. Management has considered Topic 410, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties. Management believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the Medical Center may settle the obligations is unknown and cannot be estimated. As a result, as of March 31, 2011, the Medical Center cannot reasonably estimate a liability related to these potential asset retirement activities.

6. Long-term Debt

Long-term debt consists of the following at March 31:

	2011	2010
The County of Warren, Kentucky, Hospital Revenue Bonds, Series 2008, dated March 20, 2008 (A)	$ 73,490,000	$ 75,280,000
The County of Warren, Kentucky, Hospital Refunding Revenue Bonds, Series 2007A, dated March 15, 2007 (B)	27,955,000	28,690,000
Construction Promissory Note; due September 2026; payable $38,267 monthly including interest at 6.65%; secured by certain real property (C)	4,375,868	4,534,107
Other long-term debt (C)	4,519,910	7,426,822
	110,340,778	115,930,929
Plus unamortized bond premium	824,991	864,276
Less current portion	5,299,881	5,248,354
	$105,865,888	$111,546,851

(A) On March 20, 2008, the County of Warren, Kentucky issued $77,010,000 in Hospital Revenue Bonds, Series 2008 (Series 2008 Bonds) on behalf of the Medical Center. Proceeds from the 2008 Bonds and certain other available monies were used to legally defease all of the outstanding 1998 Bonds issued on behalf of the Medical Center through deposits to irrevocable trusts pursuant to escrow agreements, to finance the costs of major facility additions, interior renovations, equipment and furnishings and site development at The Medical Center Bowling Green, to fund a debt service reserve fund for the 2008 Bonds, to fund interest on a portion of the 2008 Bonds and to pay costs of issuing the 2008 Bonds. The escrowed funds, together with the interest earnings thereon, will be used to pay all subsequent installments of the defeased 1998 Bonds.

The Series 2008 Bonds, which amortize over 29 years, require the Medical Center to make periodic interest payments with varying principal payments beginning in fiscal year 2011. The interest rate is adjusted weekly and is based on remarketing efforts (0.32% and 0.30% at March 31, 2011 and 2010, respectively). With the approval of the bond issuer, the Medical Center may convert the Series 2008 Bonds to a fixed interest rate. The Series 2008 Bonds are subject to optional redemption by the Medical Center.

The Series 2008 Bonds are secured through a standby bond purchase agreement provided by a bank that expires on April 30, 2013, and a noncancellable bond insurance policy. The standby bond purchase agreement includes repayment terms of 60 equal monthly installments commencing on the 180th day after a failed remarketing of the bonds which are to be paid under the bond insurance policy.

6. Long-term Debt (continued)

In connection with the issuance of the Series 2008 Bonds, the Medical Center entered into an interest rate swap agreement for interest rate management purposes. Under the terms of this interest rate swap agreement, the Medical Center pays a fixed rate of 3.269% and receives a floating rate based upon 70% of the one-month LIBOR rate thereafter on notional amounts of $73,490,000 and $75,280,000 at March 31, 2011 and 2010, respectively The agreement will expire on April 1, 2037. This swap was not designated as a cash flow hedge for accounting purposes and as such changes in the fair value of the swap are recorded as nonoperating gains or losses in the consolidated statements of operations and changes in net assets. The Medical Center recorded (losses) gains of $(1,072,325) and $6,006,178 related to this swap agreement for the years ended March 31, 2011 and 2010, respectively, which is included in the change in fair value of interest rate swap agreements in the consolidated statements of operations and changes in net assets. The interest differential to be paid or received under this swap agreement is accrued and recognized as an adjustment to interest expense. The Medical Center has recognized a liability of $4,569,020 and $3,496,695 at March 31, 2011 and 2010, which is included in the interest rate swap agreement liability in the consolidated balance sheets.

(B) On March 15, 2007, the County of Warren, Kentucky issued $30,885,000 in Hospital Revenue Refunding Bonds, Series 2007A (Series 2007A Bonds) on behalf of the Medical Center. The proceeds of the Series 2007A Bonds were used to refund the Series 2001 Bonds and to fund various construction projects

The Series 2007A Bonds, which amortize over 25 years, require the Medical Center to make periodic interest payments with varying principal payments beginning in fiscal year 2008. The interest rate on the bonds varies from 4.00% to 5.00%. The Series 2007A Bonds maturing on or prior to fiscal year 2018 are not subject to optional redemption prior to their respective maturities The Series 2007A Bonds maturing on or after fiscal year 2019 are subject to optional redemption by the Medical Center

Under the terms of the Series 2008 and 2007A Bonds, the Medical Center has agreed to certain covenants which, among other things, require the establishment of a debt service fund, limit additional indebtedness and guarantees and require the Medical Center to maintain specified financial ratios and minimum days cash on hand. At March 31, 2011, the Medical Center was in compliance with such requirements.

(C) The remaining long-term debt consists primarily of a construction promissory note, equipment promissory notes and various capital leases at interest rates varying from 3.5% to 7.5%, due through August 2017; collateralized by certain real property and equipment.

6. Long-term Debt (continued)

Aggregate future principal maturities of long-term debt were as follows at March 31, 2011:

2012	$ 5,299,881
2013	5,199,419
2014	4,074,554
2015	4,109,727
2016	4,299,002
Thereafter	87,358,195
	$110,340,778

Cash paid for interest during the years ended March 31, 2011 and 2010, was approximately $4,860,000 and $4,892,000, respectively. The Medical Center capitalized $78,000 and $160,000 in interest expense in 2011 and 2010, respectively.

7. Operating Leases

The Medical Center has entered into various operating lease agreements primarily for the use of medical equipment. Future minimum annual rental payments for leases with terms in excess of one year as of March 31, 2011, are as follows

2012	$ 729,606
2013	266,181
2014	135,412
2015	135,412
	$ 1,266,611

Total rental expense for all lease agreements was approximately $2,229,000 and $2,262,000 for the years ended March 31, 2011 and 2010, respectively.

8. Employee Benefit Plan

Substantially all of the Medical Center's employees are covered by the Corporation's defined benefit pension plan. Plan benefits are based upon a career average benefit formula. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Pension expense allocated to the Medical Center was approximately $5,027,000 and $6,608,000 for the years ended March 31, 2011 and 2010, respectively. The Medical Center (decreased) increased unrestricted net assets by $(997,181) and $2,337,551 for a minimum pension liability adjustment for the years ended March 31, 2011 and 2010, respectively. The Corporation uses a March 31 measurement date for its defined benefit pension plan.

The following information sets forth the Corporation's defined benefit pension plan, the majority of which relates to the Medical Center

A summary of the components of net periodic cost for the defined benefit plan for the years ended March 31 is as follows

	2011	2010
Net pension cost includes the following components:		
Service cost-benefits earned during the year	$ 5,558,245	$ 4,677,371
Interest cost on projected benefit obligation	5,724,823	5,470,650
Actual return on plan assets	(5,985,092)	(3,228,203)
Amortization and deferral of net gain	1,793,987	2,244,477
Total pension expense	$ 7,091,963	$ 9,164,295

The following table sets forth the plan's funded status and amounts recognized in the consolidated financial statements at March 31:

	2011	2010
Change in benefit obligation		
Benefit obligation at beginning of year	$ 93,243,859	$ 77,024,837
Service cost	5,558,245	4,677,371
Interest cost	5,724,823	5,470,650
Actuarial gain (loss)	2,588,331	9,980,497
Benefits paid	(3,792,587)	(3,909,496)
Benefit obligation at end of year	103,322,671	93,243,859

8. Employee Benefit Plan (continued)

	2011	2010
Change in plan assets		
Fair value of plan assets at beginning of year	$ 75,472,054	$ 40,277,815
Actual return on plan assets	5,782,255	13,301,774
Employer contributions	3,172,006	25,801,961
Benefits paid	(3,792,587)	(3,909,496)
Fair value of plan assets at end of year	80,633,728	75,472,054
Funded status	$(22,688,943)	$(17,771,805)

The funded status of the plan is included in other long-term liabilities in the accompanying consolidated balance sheets. The accumulated benefit obligation was approximately $81,445,000 and $71,877,000 at March 31, 2011 and 2010, respectively.

Included in accumulated other unrestricted net assets at March 31, 2011 and 2010, are the following amounts that have not yet been recognized in net periodic pension cost: net loss of $28,993,477 and $27,782,639 and unrecognized prior service costs of $998,396 and $1,212,053, respectively. The net loss and prior service cost expected to be recognized during the fiscal year ending March 31, 2012, is approximately $1,742,000 and $214,000, respectively.

The net (loss) gain recognized in the minimum pension liability included in changes in unrestricted net assets was $(1,210,838) and $2,123,894 for the years ended March 31, 2011 and 2010, respectively. The net prior service cost recognized in the minimum pension liability included in change in unrestricted net assets was $213,657 for the years ended March 31, 2011 and 2010.

Information for the pension plan which has benefit obligations in excess of plan assets is as follows

	2011	2010
Projected benefit obligation	$103,322,671	$ 93,243,859
Accumulated benefit obligation	$ 81,445,343	$ 71,876,870
Fair value of plan assets	$ 80,633,728	$ 75,472,054

8. Employee Benefit Plan (continued)

Significant assumptions include:

	2011	2010
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	6.10%	6.30%
Rate of compensation increase	4.00%	4.00%
Weighted-average assumptions used to determine benefit costs:		
Discount rate	6.30%	7.25%
Expected return on plan assets	8 00%	8 00%
Rate of compensation increase	4 00%	4 00%

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

Plan assets are invested in 4 8% and 31.8% of money market mutual funds, 43 1% and 52.6% of equity securities, 26 1% and 4 7% of corporate bonds and notes and 26.0% and 10.9% of government agency obligations at March 31, 2011 and 2010, respectively.

The defined benefit plan's assets are invested in a portfolio that provides for asset allocation strategies across equity and debt markets The portfolio's objective is to maximize the plan's surplus, minimize annual contributions and fund the annual interest credit. Management and its investment advisor have prepared asset allocation recommendations based upon detailed analyses of the plan's current and expected future financial needs.

The Corporation expects to contribute approximately $7 2 million to its pension plan in 2012.

Pension Plan Assets

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

8. Employee Benefit Plan (continued)

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include money market mutual funds and equity securities. If quoted prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include corporate bonds and notes and government agency obligations. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy. The Plan did not hold investments utilizing Level 3 inputs.

The fair value of the Corporation's pension plan assets at March 31, 2011 and 2010, by asset class are as follows.

	2011			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 3,884,502	$ 3,884,502	$ -	$ -
Equity securities	$ 12,877,883	$ 12,877,883	$ -	$ -
Mutual funds (A)	$ 21,838,695	$ 21,838,695	$ -	$ -
Corporate bonds and notes	$ 21,065,598	$ -	$ 21,065,598	$ -
Government agency obligations	$ 20,967,050	$ -	$ 20,967,050	$ -

8. Employee Benefit Plan (continued)

	2010			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 24,001,829	$ 24,001,829	$ -	$ -
Mutual funds (B)	$ 39,735,760	$ 39,735,760	$ -	$ -
Corporate bonds and notes	$ 3,521,637	$ -	$ 3,521,637	$ -
Government agency obligations	$ 8,212,828	$ -	$ 8,212,828	$ -

(A) Forty-nine percent of mutual funds invest in common stock of large-cap U.S. companies Fifty-one percent of the mutual fund investments focus on emerging markets and mid and small-cap U.S. companies.

(B) Fifty-five percent of mutual funds invest in common stock of large-cap U.S. companies. Forty-five percent of the mutual fund investments focus on emerging markets and mid and small-cap U.S. companies.

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement The plan agreements permit investment in common stocks, corporate bonds and debentures, U.S. Government securities, certain insurance contracts, real estate and other specified investments, based on certain target allocation percentages

Benefits expected to be paid to the Corporation's beneficiaries are as follows:

2012	$ 6,125,383
2013	$ 5,156,573
2014	$ 6,001,115
2015	$ 7,310,737
2016	$ 7,266,931
2017 through 2020	$ 52,078,962

9. Related-party Transactions

The Corporation is a nonprofit organization formed for charitable and public purposes and is the parent holding company for the Medical Center, The Medical Center at Franklin, Commonwealth Regional Specialty Hospital, Commonwealth Health Foundation and the Free Clinic, nonprofit organizations. The Corporation is also the parent holding company of Urgentcare of Bowling Green, Inc.

At March 31, 2011 and 2010, the Medical Center had receivables from the Corporation of approximately $1,896,000 and $4,139,000, respectively.

The Medical Center has recorded revenue of approximately $2,737,000 and $2,779,000 in 2011 and 2010, respectively, related to services provided and interest assessed to the affiliated companies. The Medical Center also purchased management and other services from the Corporation which totaled approximately $28,796,000 and $28,556,000 in 2011 and 2010, respectively. Such expenses are included in operating expenses in the accompanying consolidated financial statements. Amounts due to affiliates include approximately $1,787,000 and $1,235,000 at March 31, 2011 and 2010, respectively, for management and other services purchased.

10. Concentrations of Credit Risk

Patient Accounts Receivable

The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at March 31 was as follows:

	2011	2010
Medicare	29%	28%
Medicaid	6%	13%
Blue Cross	18%	16%
Center Care	7%	7%
Other third-party payers	11%	11%
Patients	29%	25%
	100%	100%

10. Concentrations of Credit Risk (continued)

Bank Balances

Effective July 21, 2010, the Federal Deposit Insurance Corporation's (FDIC) insurance limits were permanently increased to $250,000 At March 31, 2011, the Medical Center's cash accounts exceeded federally insured limits by approximately $12,744,000.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010, through December 31, 2012, at all FDIC-insured institutions.

11. Medical Malpractice and General Liability Insurance

Prior to August 1, 2002, the Medical Center was insured for medical malpractice losses through claims-made policies and recorded an estimated reserve for deductibles for outstanding claims. Effective August 1, 2002, the Medical Center became self insured for medical malpractice losses and purchased occurrence-based excess commercial insurance coverage for claims over the self insurance limit. Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system, as well as claims incurred but not yet reported, are accrued based on estimates provided by an actuary that incorporates past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Recorded malpractice and general liability self insurance liabilities (discounted at 4.75%) are adequate in management's opinion. The estimated liability for self insurance of $331,000 is included in accrued expenses at March 31, 2011 and 2010, respectively.

The Medical Center is involved in litigation arising in the ordinary course of business. Claims alleging malpractice have been asserted against the Medical Center and are currently in various stages of litigation. It is the opinion of management of the Medical Center, based on experience and the advice of legal counsel, the ultimate resolution of professional liability claims will not have a significant effect on the Medical Center's consolidated financial statements.

The Corporation has established a trust for the purpose of setting aside assets based on actuarial funding recommendations. The Medical Center participates in this trust and has funded its portion of the actuarial determined liability as noted above into the trust. The Medical Center contributed approximately $578,000 and $507,000 into the trust for the years ended March 31, 2011 and 2010, respectively.

12. Disclosures About Fair Value of Assets and Liabilities

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

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

12. Disclosures About Fair Value of Assets and Liabilities (continued)

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy Level 1 securities include money market mutual funds and equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows The inputs used by the pricing service to determine fair value may include one, or a combination of, observable inputs such as benchmark securities, bids, offers and reference data market research publications and are classified within Level 2 of the valuation hierarchy. Level 2 securities include government agency obligations. In certain cases where Level 1 and Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and included alternative investments.

Interest Rate Swap Agreement

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

12. Disclosures About Fair Value of Assets and Liabilities (continued)

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at March 31:

	2011			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 23,105,769	$ 23,105,769	$ -	$ -
Equity securities	$ 18,361,671	$ 18,361,671	$ -	$ -
Mutual funds - large cap U.S. companies	$ 9,101,031	$ 9,101,031	$ -	$ -
Mutual funds - mid and small cap U.S. companies	$ 3,427,047	$ 3,427,047	$ -	$ -
Mutual funds - emerging markets	$ 3,643,903	$ 3,643,903	$ -	$ -
Government agency obligations	$ 67,201,941	$ -	$ 67,201,941	$ -
Interest rate swap agreement	$ (4,569,020)	$ -	$ (4,569,020)	$ -

12. Disclosures About Fair Value of Assets and Liabilities (continued)

	2010			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 30,652,431	$ 30,652,431	$ -	$ -
Equity securities	$ 3,399,010	$ 3,399,010	$ -	$ -
Mutual funds - large cap U.S. companies	$ 15,417,747	$ 15,417,747	$ -	$ -
Mutual funds - mid and small cap U.S. companies	$ 5,609,772	$ 5,609,772	$ -	$ -
Mutual funds - emerging markets	$ 6,297,319	$ 6,297,319	$ -	$ -
Government agency obligations	$ 40,929,380	$ -	$ 40,929,380	$ -
Interest rate swap agreement	$ (3,496,695)	$ -	$ (3,496,695)	$ -

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

Cash and Cash Equivalents

The carrying amount approximates fair value.

Long-term Debt

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

12. Disclosures About Fair Value of Assets and Liabilities (continued)

The following table presents estimated fair values of the Medical Center's financial instruments at March 31:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 8,052,845	$ 8,052,845	$ 10,602,324	$ 10,602,324
Assets limited as to use	$ 129,866,747	$ 129,866,747	$ 108,344,491	$ 108,344,491
Financial liabilities:				
Long-term debt, plus bond premium	$ 111,165,769	$ 108,535,380	$ 116,795,205	$ 114,701,508
Interest rate swap agreement	$ 4,569,020	$ 4,569,020	$ 3,496,695	$ 3,496,695

13. Significant Estimates and Concentrations

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

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Notes 1 and 3.

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in Note 11.

13. Significant Estimates and Concentrations (continued)

Litigation

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

Asset Retirement Obligation

As discussed in Note 5, the Medical Center has not recorded a liability for its conditional asset retirement obligations related to asbestos.

Pension Obligation

The Medical Center has a noncontributory defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Investments

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

Current Economic Conditions

The current protracted economic decline continues to present hospitals with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Medical Center.

13. Significant Estimates and Concentrations (continued)

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

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

15. Subsequent Events

Subsequent events have been evaluated through August 2, 2011, which is the date the consolidated financial statements were available to be issued.

Form **8868**
(Rev January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)* You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print File by the due date for filing your return See instructions	Name of exempt organization	Employer identification number
	BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842
	Number, street, and room or suite no If a P O box, see instructions	
	800 PARK STREET	
	City, town or post office, state, and ZIP code For a foreign address, see instructions	
	BOWLING GREEN, KY 42102	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ LARRY VAUGHN

Telephone No ▶ 270 745-1500 FAX No ▶

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box . . . . . ▶ [ ] If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 11/15, 20 11, to file the exempt organization return for the organization named above The extension is for the organization's return for.
▶ [ ] calendar year 20 ____ or
▶ [X] tax year beginning 04/01, 20 10, and ending 03/31, 20 11

2 If the tax year entered in line 1 is for less than 12 months, check reason. [ ] Initial return [ ] Final return
[ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	**3a**	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	**3b**	$
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	**3c**	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . . ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed)

Type or print	Name of exempt organization	Employer identification number
File by the extended due date for filing your return. See instructions	BOWLING GREEN WARREN COUNTY COMM HOSP	61-0920842
	Number, street, and room or suite no If a P O box, see instructions 800 PARK STREET	
	City, town or post office, state, and ZIP code For a foreign address, see instructions BOWLING GREEN, KY 42102	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ LARRY VAUGHN
  Telephone No. ▶ 270 745-1500 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until 02/15, 20 12.

5 For calendar year _____, or other tax year beginning 04/01, 20 10, and ending 03/31, 20 11.

6 If the tax year entered in line 5 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS REQUIRED TO ACCUMULATE THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	$

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Kim Sapp Title ▶ CFA Date ▶ 11/9/11