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Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

IN LINE WITH ITS CHRISTIAN HERITAGE, TO PROVIDE A BROAD BASED HEALTHCARE DELIVERY SYSTEM FOCUSING ON THE COMPASSIONATE, HIGH QUALITY AND COST EFFECTIVE SERVICES THAT ADDRESS MENTAL, SPIRITUAL AND PHYSICAL NEEDS

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 \$ 120,974,069 including grants of \$ 292,668) (Revenue \$ 149,154,732)

COMMUNITY UNITED METHODIST HOSPITAL, INC OFFERS A BROAD RANGE OF INPATIENT AND OUTPATIENT MEDICAL SERVICES INCLUDING EMERGENCY CARE, SURGICAL SERVICES, AMBULATORY CARE, RADIOLOGY SERVICES, PHYSICAL THERAPY, SLEEP DISORDERS, ORTHOPEDIC SERVICES, PEDICATRIC CARE, NICU, SWING BED, AND DIAGNOSTIC AND THERAPEUTIC SERVICES THE COMMUNITIES WE SERVE INCLUDE HENDERSON, UNION AND WEBSTER COUNTIES METHODIST HOSPITAL IS AN ACUTE CARE HOSPITAL IN HENDERSON, KY WITH 192 LICENSED BEDS IN 2011, MH SERVED 5,435 INPATIENTS FOR A TOTAL OF 26,277 INPATIENT DAYS OF SERVICE MH ALSO PROVIDED 254,883 OUTPATIENT VISITS WHICH INCLUDED 26,207 EMERGENCY ROOM VISITS CONTINUED ON SCHEDULE O UNION COUNTY METHODIST HOSPITAL IS A CRITICAL CARE HOSPITAL IN UNION COUNTY, KY IN 2011, UCMH SERVED 804 INPATIENTS FOR A TOTAL OF 5,600 INPATIENT DAYS UCMH ALSO PROVIDED 22,280 OUTPATIENT VISITS WHICH INCLUDED 8,278 EMERGENCY ROOM VISITS

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d



















Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 120,974,069

Part IV Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	265
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	1,477
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	No
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	31		
b	Enter the number of voting members included in line 1a, above, who are independent	27		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
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	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 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	Yes	
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		No

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. GREG HEBBELER 1305 NORTH ELM STREET PO BOX 48 HENDERSON, KY 424190048 (270) 827-7502

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

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

Form **990** (2010)

Part VII

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization: 58

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
INDIANA MEDICAL PHYSICANS PLLC 10346 WILMINGTON DRIVE EVANSVILLE, IN 47725	PROF/DIR FEES	1,090,656
RUBEL MEDICAL SERVICES PC 2012 WILDERNESS CT EVANSVILLE, IN 47712	ANESTHESIOLOGY	618,132
HENDERSON ACUTE CARE SPECIALIST LLC 1762 YELVINGTON KNOTTSVILLE RD MACEO, KY 42355	HOSPITALIST SVC	595,524
ERICKSON ANESTHESIOLOGY 2444 LAKERIDGE DRIVE NEWBURGH, IN 47630	ANESTHESIOLOGY	521,978
CM IGNACIO PSC PO BOX 294 SELLERSBURG, IN 47172	ANESTHESIOLOGY	385,646
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 130		

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	95,425		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	7,613		
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		103,038		
Program Service Revenue	2a		Business Code			
		PATIENT SERVICES		145,142,050		145,142,050
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		145,142,050		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		147,378		147,378
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
	6a	Gross Rents	(i) Real 22,024	(ii) Personal		
	b	Less rental expenses				
	c	Rental income or (loss)	22,024			
	d	Net rental income or (loss)		22,024		22,024
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other 108,950		
	b	Less cost or other basis and sales expenses		79,185		
	c	Gain or (loss)		29,765		
	d	Net gain or (loss)		29,765	29,765	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18				
		a				
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances				
		a				
b	Less cost of goods sold	b				
c	Net income or (loss) from sales of inventory					
	Miscellaneous Revenue	Business Code				
11a	MISCELLANEOUS REVENUE		1,881,872		1,881,872	
b	HEALTH CARE MANAGEMENT		644,158		644,158	
c	CAFETERIA REVENUE		590,296		590,296	
d	All other revenue		988,778	261,384	440	726,954
e	Total. Add lines 11a-11d		4,105,104			
12	Total revenue. See Instructions		149,549,359	291,149	440	149,154,732

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	92,675	92,675		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	199,993	199,993		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,360,966	342,308	2,018,658	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	50,018,068	41,828,297	8,189,771	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,845,363	3,251,368	593,995	
9	Other employee benefits	12,677,989	10,401,135	2,276,854	
10	Payroll taxes	3,880,224	3,104,179	776,045	
a	Fees for services (non-employees)				
	Management				
b	Legal	284,173		284,173	
c	Accounting	305,386		305,386	
d	Lobbying	8,123		8,123	
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	187,632		187,632	
g	Other	11,046,578	9,405,644	1,640,934	
12	Advertising and promotion	776,076	59,969	716,107	
13	Office expenses	16,616,464	15,318,415	1,298,049	
14	Information technology	996,716	374,354	622,362	
15	Royalties				
16	Occupancy	2,283,777	405,519	1,878,258	
17	Travel	150,651	111,735	38,916	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	3,046,076		3,046,076	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	7,649,366	7,616,691	32,675	
23	Insurance	1,795,911	1,754,969	40,942	
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	22,316,909	22,316,909		
b	KY PROVIDER TAX	2,279,568	2,279,568		
c	REPAIRS & MAINT	2,188,151	1,651,365	536,786	
d	FOOD	902,844	99,658	803,186	
e	RECRUITMENT	666,120	4,237	661,883	
f	All other expenses	733,041	355,081	377,960	
25	Total functional expenses. Add lines 1 through 24f	147,308,840	120,974,069	26,334,771	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			12,211,542	1	14,388,481
	2	Savings and temporary cash investments			15,987,693	2	16,087,101
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			26,465,330	4	26,416,306
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			57,432	5	28,716
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L				6	
	7	Notes and loans receivable, net			1,695,773	7	2,172,135
	8	Inventories for sale or use			1,770,976	8	2,231,320
	9	Prepaid expenses and deferred charges			1,257,374	9	1,653,937
	10a	Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a	169,708,802			
	b	Less accumulated depreciation	10b	81,908,884	90,420,947	10c	87,799,918
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			3,665,919	12	3,642,926
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			4,290,218	15	3,617,364
	16	Total assets. Add lines 1 through 15 (must equal line 34)			157,823,204	16	158,038,204
Liabilities	17	Accounts payable and accrued expenses			12,633,948	17	13,519,002
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			50,116,188	20	45,751,148
	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			77,178	23	89,984
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			29,630,598	25	21,763,441
	26	Total liabilities. Add lines 17 through 25			92,457,912	26	81,123,575
Net Assets or Fund Balances		Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets			64,584,879	27	76,005,655
	28	Temporarily restricted net assets			780,413	28	908,974
	29	Permanently restricted net assets				29	
		Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			65,365,292	33	76,914,629
	34	Total liabilities and net assets/fund balances			157,823,204	34	158,038,204

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	149,549,359
2	Total expenses (must equal Part IX, column (A), line 25)	2	147,308,840
3	Revenue less expenses Subtract line 2 from line 1	3	2,240,519
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	65,365,292
5	Other changes in net assets or fund balances (explain in Schedule O)	5	9,308,818
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	76,914,629

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization COMMUNITY UNITED METHODIST HOSPITAL INC	Employer identification number 61-0461753
--	--

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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


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



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

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




Part IIIPart III

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

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

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

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

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

Part IV

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

Additional Data

Software ID:
Software Version:
EIN: 61-0461753
Name: COMMUNITY UNITED METHODIST
HOSPITAL INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
AUDAS SCOTT DIRECTOR	1 00	X						0	0	0
BAILEY MARK DIRECTOR	1 00	X						0	0	0
DAVIS SCOTT CHAIRMAN	2 00	X		X				0	0	0
CARDEN REV DALE DIRECTOR	1 00	X						0	0	0
CERTAIN GARLAND DIRECTOR	1 00	X						0	0	0
CRAFTON JAMES M JR DIRECTOR	1 00	X						0	0	0
DAVENPORT JOEY DIRECTOR	1 00	X						0	0	0
DEMPEWOLF THOMAS DIRECTOR	1 00	X						0	0	0
EBLEN JOHN DIRECTOR	1 00	X						0	0	0
GRAUL PEGGY DIRECTOR	1 00	X						0	0	0
HARGIS STEVE TREASURER	1 00	X		X				0	0	0
HAWKINS REV GARLAND DIRECTOR	1 00	X						0	0	0
HODGE NANCY DIRECTOR	1 00	X						0	0	0
HOFFMAN JOAN SECRETARY	1 00	X		X				0	0	0
HOPPER JOEL DIRECTOR	1 00	X						0	0	0
JENKINS WAYNE DIRECTOR	1 00	X						0	0	0
KEACH JENNIFER DIRECTOR	1 00	X						0	0	0
KNIPP REV WILLARD DIRECTOR	1 00	X						0	0	0
LUTZ TIM DIRECTOR	1 00	X						0	0	0
MCCOLLUM CHARLIE DIRECTOR	1 00	X						0	0	0
NIX RAY DIRECTOR	1 00	X						0	0	0
THOMASON DAVID DIRECTOR	1 00	X						0	0	0
SIGHTS DALE VICE-CHAIR	1 00	X		X				0	0	0
SIGHTS JON DIRECTOR	1 00	X						0	0	0
TORIBIO IGNACIO DIRECTOR	1 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
UTLEY KEITH DIRECTOR	1 00	X						0	0	0
VECCIA JIM DIRECTOR	1 00	X						0	0	0
WILLIAMS CYNTHIA DIRECTOR	1 00	X						0	0	0
WISCHER GERALD S DIRECTOR	1 00	X						0	0	0
WOODRING BRUCE DIRECTOR	1 00	X						0	0	0
WRIGHT BELINDA DIRECTOR	1 00	X						0	0	0
EVERSON DUDLEY EMERITUS	1 00	X						0	0	0
KING LEO EMERITUS	1 00	X						0	0	0
DAVIS BISHOP LINDSEY BISHOP	1 00	X						0	0	0
BEGLEY BRUCE D EXEC DIRECT	50 00				X			427,136	0	49,432
SPRAGUE DR ARNOLD III VP EMPLOY P	50 00				X			260,907	0	49,536
PARK DAVID B VP LEGAL SER	50 00				X			185,442	0	30,142
HEBBLER GREG CHIEF FINANC	50 00				X			182,915	0	25,561
MERIWETHER JOHN W CHIEF OPERAT	50 00				X			178,075	0	59,606
REID WILSON MD ORTHOPEDIC S	50 00					X		949,639	0	22,574
JAMES YELTON MD ORTHOPEDIC S	50 00					X		705,612	0	21,962
KRISTOPHER BEICKMAN MD OB/GYN	50 00					X		505,119	0	27,902
VINROD D SONI MD GENERAL SURG	50 00					X		402,091	0	15,761
JAMES A HOHMAN MD GENERAL SURG	50 00					X		253,062	0	1,900
LOGAN JOHN A III FMR MED DIR/	10 00				X		X	192,308	0	0

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

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

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

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

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

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

Name of the organization COMMUNITY UNITED METHODIST HOSPITAL INC	Employer identification number 61-0461753
--	--

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

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

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

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

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		8,123
j Total lines 1c through 1i				8,123
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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	No
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	No
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	No

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
	SCHEDULE C, PART II-B, LINE 1i	LOBBYING EXPENSES REPRESENT THE PORTION OF DUES THAT ARE PAID TO HOSPITAL ASSOCIATIONS THAT ARE ATTRIBUTABLE TO LOBBYING ACTIVITIES

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
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number

61-0461753

Part I

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

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

Part II

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

1

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

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

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3

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

4

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

5

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

☐ Yes

☒ No

6

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

7

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

8

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

☐ Yes

☒ No

9

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

Part III

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

1a

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

1b

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

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☒ No

Part IV

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

1a

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

☐ Yes

☒ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☒ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		No
3a(ii)		No
3b		No

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		884,356		884,356
b Buildings		98,051,433	33,719,435	64,331,998
c Leasehold improvements		1,766,608	1,068,124	698,484
d Equipment		65,693,525	47,121,325	18,572,200
e Other		3,312,880		3,312,880
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				87,799,918

Schedule D (Form 990) 2010

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	149,549,359
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	147,308,840
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,240,519
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	9,308,818
9	Total adjustments (net) Add lines 4 - 8	9	9,308,818
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	11,549,337

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	159,065,692
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	9,524,970
e	Add lines 2a through 2d	2e	9,524,970
3	Subtract line 2e from line 1	3	149,540,722
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	8,637
c	Add lines 4a and 4b	4c	8,637
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	149,549,359

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	147,516,355
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	207,515
e	Add lines 2a through 2d	2e	207,515
3	Subtract line 2e from line 1	3	147,308,840
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	147,308,840

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	CHANGE IN UNFUNDED PENSION LIABILITY (FASB 158 ADJUST) 9,396,409 CHANGE IN FOUNDATION NET ASSETS (FASB 136 ADJUST) 128,561 UNRELATED FEDERAL BUSINESS LOSS FROM PREMIER PURCH K-1 -440 NET INVESTMENT GAIN/LOSS FROM GENESIS HEALTH ALLIANCE K-1 -1,434 NET INVESTMENT GAIN/LOSS FROM KY HOMECARE OF HENDERSON K-1 -40,909 NET INVESTMENT GAIN/LOSS FROM PREMIER PURCH PARTNERS K-1 34,146 EXPENSES FROM ENTITIES FILING SEPERATE RETURNS INCLUDED 0 IN CONSOLIDATED AUDITED FINANCIAL STATEMENTS -187,038 ADJUSTMENT FOR ACCOUNTING OF AFFILIATE ENTITIES THAT 0 FILE SEPERATE TAX RETURNS -20,477
REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 2D	CHANGE IN UNFUNDED PENSION LIABILITY (FASB 158 ADJUST) 9,396,409 CHANGE IN FOUNDATION NET ASSETS (FASB 136 ADJUST) 128,561
REVENUE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 4B	UNRELATED FEDERAL BUSINESS LOSS FROM PREMIER PURCH K-1 440 NET INVESTMENT GAIN/LOSS FROM GENESIS HEALTH ALLIANCE K-1 1,434 NET INVESTMENT GAIN/LOSS FROM KY HOMECARE OF HENDERSON K-1 40,909 NET INVESTMENT GAIN/LOSS FROM PREMIER PURCH PARTNERS K-1 -34,146
EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 2D	EXPENSES FROM ENTITIES FILING SEPERATE RETURNS INCLUDED 0 IN CONSOLIDATED AUDITED FINANCIAL STATEMENTS 187,038 ADJUSTMENT FOR ACCOUNTING OF AFFILIATE ENTITIES THAT 0 FILE SEPERATE TAX RETURNS 20,477

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
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number
61-0461753

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
1b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input checked="" type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		No
5c	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?		
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public?	Yes	
	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)			3,444,353	1,456,676	1,987,677	1 590 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			18,274,885	16,421,376	1,853,509	1 480 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			21,719,238	17,878,052	3,841,186	3 070 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			576,665	135,891	440,774	0 350 %
f Health professions education (from Worksheet 5)			1,168,648	234,264	934,384	0 750 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			39,045		39,045	0 030 %
j Total Other Benefits			1,784,358	370,155	1,414,203	1 130 %
k Total. Add lines 7d and 7j			23,503,596	18,248,207	5,255,389	4 200 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development		4,788		4,788	
3	Community support					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		2,052		2,052	
7	Community health improvement advocacy		849		849	
8	Workforce development					
9	Other					
10	Total		7,689		7,689	

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	6,897,283	
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	2,075,310	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	24,862,639	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	34,568,047	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-9,705,408	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

Part 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				

Schedule H (Form 990) 2010

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: METHODIST HOSPITAL

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 question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
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? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> 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 together with 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 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 0</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250 0</u> %	10	Yes
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

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	Yes
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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)	16	Yes
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

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? If "No," indicate the reasons why (check all that apply)	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d	<input type="checkbox"/> 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? If "Yes," explain in Part VI	20		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	Yes	

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: METHODIST HOSPITAL UNION COUNTY

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 question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> 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? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> 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 <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> 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 together with 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 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 0</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250 0</u> %	10	Yes
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

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	Yes
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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input checked="" type="checkbox"/> Other (describe in Part VI)	16	Yes
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

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? If "No," indicate the reasons why (check all that apply)	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d	<input type="checkbox"/> 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? If "Yes," explain in Part VI	20		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	Yes	

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? 21

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	BAD DEBT EXPENSE OF 22316909 WAS EXCLUDED FROM THE TOTAL EXPENSES AS REPORTED ON FORM 990 PART IX LINE 25 IN THE PERCENTAGE CALCULATION FOR COLUMN F

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	THE COSTTOCHARGE RATIO WAS USED IN THE TABLE TO CALCULATE COST ASSOCIATED WITH BAD DEBT AND CHARITY CARE THE RATIO WAS CALCULATED FROM WORKSHEET 2 RATIO OF PATIENT CARE COSTTOCHARGES

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	COMMUNITY BUILDING ACTIVITIES INCLUDE THE HOSPITALS PARTICIPATION WITH GREEN RIVER AREA DISTRICT DEVELOPMENT A LOCAL GROUP DEDICATED TO ADDRESSING THE HEALTH CARE NEEDS OF COMMUNITIES SERVED ALSO AS PART OF COMMUNITY BUILDING ACTIVITIES VARIOUS HOSPITAL ADMINISTRATION STAFF VOLUNTEER TIME AS BOARD MEMBERS OR MEMBERS OF COMMUNITY ORGANIZATIONS AND COALITIONS TO KEEP ABREAST OF HEALTH CARE NEEDS CONCERNS AND ISSUES WITHIN THE AREA

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	THE HOSPITAL HAS AGREEMENTS WITH THIRDPARTY PAYORS THAT PROVIDE FOR PAYMENTS TO THE HOSPITAL AT AMOUNTS DIFFERENT FROM ITS ESTABLISHED RATES PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE REIMBURSED COSTS DISCOUNTED CHARGES AND PER DIEM PAYMENTS NET PATIENT SERVICE REVENUE IS REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS THIRDPARTY PAYORS AND OTHERS FOR SERVICES RENDERED INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSE MENT AGREEMENTS WITH THIRDPARTY PAYORS RETROACTIVE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED THE HOSPITAL ESTIMATES AN ALLOWANCE FOR UNCOLLECTIBLE PATIENT ACCOUNTS RECEIVABLE BASED ON EVALUATION OF THE AGING OF THE ACCOUNTS HISTORICAL LOSSES CURRENT ECONOMIC CONDITIONS AND OTHER FACTORS UNIQUE TO THE SERVICE AREA AND THE HEALTHCARE INDUSTRY THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNTS REPORTED ON LINE 2 IS USING THE COSTTOCHARGE RATIO THE RATIO WAS CALCULATED FROM WORKSHEET A ESTIMATED BAD DEBT EXPENSEAT COST

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	MEDICARE ALLOWABLE COST WAS TAKEN DIRECTLY OFF MEDICARE COST REPORT FILED FOR 63011 THE CALCULATION INCLUDED MEDICARE INPATIENT AND OUTPATIENT CHARGES LESS MEDICARE REIMBURSEMENT LESS GME RECEIVED THE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE THE REIMBURSEMENT RECEIVED DID NOT COVER THE COST OF PROVIDING THESE SERVICES

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	HOSPITAL POLICY ON CHARITY CARE PROVIDES GUIDANCE ON HOW TO PROVIDE FINANCIAL ASSISTANCE FOR PATIENTS IN NEED HOSPITAL POLICY ON INDIGENT CARE OUTLINES THE DISPROPORTIONATE SHARE HOSPITAL DSH PROGRAM THROUGH THE STATE OF KY TO SERVE THE INDIGENT CARE NEEDS OF ALL PATIENTS WITHOUT ANY TYPE OF HEALTH INSURANCE PATIENTS MUST COMPLETE A DSH APPLICATION AND MEET THE KY DEPARTMENT OF MEDICAID SERVICES DSH PROGRAM MANUAL GUIDELINES

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	HOSPITAL CONTINUES TO WORK WITH THE GREEN RIVER AREA DISTRICT DEVELOPMENT TO ASSESS THE HEALTH CARE NEEDS OF THE COMMUNITIES SERVED THE MISSION IS TO IMPROVE THE HEALTH AND QUALITY OF LIFE WITHIN OUR REGION THROUGH EDUCATION MOTIVATION EVALUATION AND AVAILABILITY

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	HOSPITAL HAS FINANCIAL COUNSELORS TO INTERVIEW PATIENTS WHO MAY HAVE FINANCIAL NEED THE PROCESS IS PART OF PATIENT REGISTRATION AN INTERVIEW CAN TAKE PLACE AT ANY TIME THE PATIENT IS IN THE HOSPITAL AFTER THE PAITENT LEAVES THE HOSPITAL CONTACT IS MADE IN AN EFFORT TO ASSIST THE INDIVIDUAL WITH APPLYING FOR GOVERNMENT ENTITLEMENT PROGRAMS EACH PATIENT REGISTERED AS A SELFPAY AUTOMATICALLY RECEIVES PRINTED INFORMATION TITLED ELIGIBILTY FOR FINANCIAL ASSISTANCE THIS DOCUMENT EXPLAINS ABOUT THE KY MEDICAID DISPROPORTIONATE SHARE HOSPITAL DSH PROGRAM IT CONTAINS A LIST OF INFORMATION THE PATIENT IS REQUIRED TO PROVIDE WITH THE DSH APPLICATION ELIGIBILITY FOR THE PROGRAM IS DETERMINED FROM THE SUBMITTED DOCUMENTS IF PATIENT DOES NOT QUALIFY FOR THE DSH PROGRAM THEN THE DOCUMENTATION IS USED BY THE HOSPITAL FOR FINANCIAL ASSISTANCE DETERMINATION IN ADDITION DISCUSSION WITH PATIENTS CONCERNING VARIOUS PROGRAMS HOSPITAL ASSISTANCE ETC

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	HOSPITAL IS LOCATED IN THE GREEN RIVER AREA DEVELOPMENT DISTRICT GRADDIN THE NORTH WESTERN PORTION OF KENTUCKY ALONG THE OHIO RIVER AND DIVIDED BY THE GREEN RIVER ACCORDING TO KENTUCKY HOSPITAL STATISTICS PUBLISHED IN 2010 THE TOTAL POPULATION OF GRADD IS APPROXIMATELY 211708 AND IS PROJECTED TO HAVE MINOR GROWTH OF 12 OVER THE NEXT FIVE YEARS METHODIST HOSPITALS PRIMARY SERVICE AREA COVERS PATIENTS FROM THE COUNTIES OF HENDERSON UNION AND WEBSTER AND INCLUDES A SECONDARY MARKET OF PATIENTS FROM EACH OF THE SURROUNDING COUNTIES AND SOUTHERN INDIANA AND SOUTHERN ILLINOIS THE TOTAL POPULATION IN THE PRIMARY AND SECONDARY SERVICE AREA IS APPROXIMATELY 75000 THIS ORGANIZATION OWNS METHODIST HOSPITAL IN HENDERSON COUNTY AND METHODIST HOSPITAL UNION COUNTY A CRITICAL ACCESS HOSPITAL IN UNION COUNTY THE ONLY TWO HOSPITALS IN THE PRIMARY SERVICE AREA THE PRIMARY SERVICE AREA INCLUDES DESIGNATED MEDICALLY UNDERSERVED COUNTIES AND METHODIST HOSPITAL HAS SUPORTED THE MEDICAL CARE IN THE COMMUNITIES BY PROVIDING TWO PRIMARY CARE CLINICS IN WEBSTER COUNTY AND TWO IN UNION COUNTY WITH PHYSICIANS AND NURSE PRACTITIONERS

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	METHODIST HOSPITAL IN KEEPING WITH ITS CHRISTIAN HERITAGE EXISTS TO PROVIDE A BROAD BASED HEALTHCARE DELIVERY SYSTEM IN PARTNERSHIP WITH OUR MEDICAL STAFF THE FOCUS WILL BE ON THE COMPASSIONATE HIGH QUALITY AND COST EFFECTIVE SERVICES THAT ADDRESS MENTAL SPIRITUAL AND P HYSICAL NEEDS AND WORKS TO IMPROVE THE HEALTH STATUS OF THE PEOPLE IN THE COMMUNITIES THE MAJORITY OF COMMUNITY UNITED METHODIST HOSPITALS BOARD OF DIRECTORS IS COMPRISED OF INDIVI DUALS WHO LIVE AND WORK IN THE HOSPITAL SERVICES AREA THE HOSPITAL EXTENDS MEDICAL STAFF P RIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY DURING THE FISCAL YEAR ENDED JUNE 3 0 2011 COMMUNITY UNITED METHODIST HOSPITAL INC AS PART OF ITS MISSION CONTINUES TO PROVIDE UNCOMPEN SATED CARE TO THE RESIDENTS OF THE AREA EXAMPLES OF SERVICES PROVIDED FOR THE BE NEFIT OF THE COMMUNITY ARE AS FOLLOWS ADULT AND PEDIATRIC CPR COURSES OFFERED FREE OR AT A NOMINAL COST SMOKING CESSATION PROGRAM OFFERED AT NOMINAL COST TO PARTICIPANTS CHILDBIRTH EDUCATION CLASSES INCLUDING PREPARED CHILDBIRTH BREAST FEEDING ETC OFFERED TO THE PUBLIC AT A NOMINAL COST ONGOING DIABETES SELF CARE CLASSES OFFERED AT A NOMINAL OR NO CHARGE INCL UDING SELF CARE BGM INSULIN AND GESTATIONAL OUTREACH PROGRAMS AT LOCAL ELEMENTARY AND JUNIO R HIGH SCHOOLS TO EDUCATE YOUNG PEOPLE ON A VARIETY OF TOPICS INCLUDING CHEMICAL DEPENDENC Y AND CHILDBIRTH PROVIDE EDUCATION TO WOMENSS ADDICTION RECOVERY MANOR CENTER 34 TIMES PER YEAR FOR EDUCATIONAL SESSIONS UPON REQUEST BROCHURES ON A WIDE VARIETY OF MEDICAL TOPICS ARE AVAILABLE TO THE PUBLIC AT NO CHARGE MULTIDISCIPLINARY CONTINUING EDUCATION PROGRAMS F OR OTHER MEDICAL PROFESSIONALS AND ANCILLARY PERSONNEL COMMUNITY EDUCATION PROGRAMS PROVID ED FREE TO THE PUBLIC ON VARIOUS HEALTHCARE TOPICS STROKE HEART ATTACK DIABETES ETC PROMOT ION OF HEALTHCARE PROFESSIONALS THROUGH ASSOCIATION WITH HENDERSON COMMUNITY COLLEGE DAYMA R COLLEGE AND MADISONVILLE KENTUCKY TECH RADIOLOGY TECHNOLOGY NURSING AND LABORATORY PROGR AMS AND WITH INTERNSHIPS AND CLINICAL AFFILIATIONS WITH OTHER UNIVERSITIES FOR PHARMACY PH YSICAL THERAPY RADIOLOGY HEALTH CARE ADMINISTRATION AND DIETETICS SAFE SITTER COURSE PROVI DED AT MINIMAL COST TO COVER SUPPLIES FREE CHOLESTEROL SCREENINGS PROVIDED THE FIRST THURS DAY OF EVERY MONTH TO THE GENERAL PUBLIC BLOOD PRESSURE SCREENINGS DONE MONTHLY AT PLEASAN T POINT AND TWICE A YEAR AT SENIOR CITIZEN COMPLEXES BLOOD SUGAR SCREENING PROVIDED MONTHLY AT PLEASANT POINT AND COLONIAL ASSISTED LIVING HEALTH FAIRS ARE HELD FOR LOCAL INDUSTRY AS WELL AS THE GENERAL PUBLIC PROVIDING A WIDE RANGE OF SCREENING TESTS AND EDUCATIONAL MA TERIALS IN HENDERSON UNION AND WEBSTER COUNTIES SPEAKERS PROVIDED TO COMMUNITY ORGANIZATIO NS FOR PRESENTATIONS ON SUCH HEALTHCARE TOPICS AS CANCER ALZHEIMERS DISEASE BLOOD PRESSURE CHOLESTEROL ETC WELLNESS PROGRAM OFFERED TO LOCAL BUSINESSES INCLUDES ONSITE HEALTH FAIRS RISK APPRAISAL NURSE VISITS AND EDUCATIONAL PROGRAMS FLU SHOTS PROVIDED TO INDUSTRY AND S CHOOOLS DISCOUNT OF 50 OFFERED ON FIRST MAMMOGRAPHY SCREENING DURING BREAST CANCER AWARENES S MONTH A DISCOUNT AGREEMENT WITH THE HEALTH DEPARTMENT ON MAMMOGRAPHY REFERRALS NEONATAL SERVICES PROVIDED AT A REDUCED RATE FOR LOWINCOME WOMEN OUTPATIENT LACTATION CONSULTING FE ES WAIVED FOR LOWINCOME MOTHERS METHODIST HOSPITAL ALSO PROVIDES FOR ADULTS WHO HAVE CHRON IC HEALTH CARE NEEDS THROUGH THE CONTINUITY CARE CLINIC THIS CLINIC OPERATES 4 DAYS PER WE EK WITH MEDICAL RESIDENTS AND THEIR SUPERVISORS METHODIST HOSPITAL SERVES AS A PRECEPTOR S ITE FOR VARIOUS UNIVERSI TIES AND COLLEGES FOR ADMINISTRATIVE PHYSICAL AND OCCUPATIONAL TH ERAPIES AND NURSING STUDENTS HOSPITAL MANAGEMENT PARTICIPATES IN AND ROUTINELY DONATES USE OF THE HOSPITAL FACILITY TO VARIOUS NONPROFIT COMMUNITY ORGANIZATIONS SUCH AS YMCA SALVAT ION ARMY UNITED WAY JUNIOR PRO BALL ETC PRESENTS ALTERNATIVE CARE DELIVERY MODELS TO LEADE RSHIP HENDERSON TO ADDRESS THE IDENTIFIED COMMUNITY NEED FOR ACCESS TO MEDICAL CARE FOR CH ILDREN OF LOW INCOME FAMILIES AND THOSE LIVING IN POVERTY THE HOSPITAL OPERATES A LICENSED PRIMARY CARE CENTER COMMUNITY ACCESS TO CHILD HEALTH CATCH PROGRAM THAT PROVIDES DIRECT M EDICAL CARE TO CHILDREN WITHOUT ACCESS TO MEDICAL CARE THIS SERVICE IS LICENSED AT SIX SIT ES THROUGHOUT THE COMMUNITY INCLUDING SCHOOLS TREATED APPROXIMATELY 1719 CHILDREN EMPLOYEE S ARE MEMBERS OF VARIOUS COMMUNITY ORGANIZATIONS AND REGULARLY ATTEND MEETINGS TO KEEP MH ACTIVELY INVOLVED IN THE COMMUNITY AMERICAN HEART ASSOCIATION KENTUCKY CANCER PROGRAM DIAB ETES COALITION I AM YOUR HENDERSON CHILD FOR EXAMPLE ASSISTED IN PLANNING AND ORGANIZING O F VARIOUS ACTIVITIES FOR COMMUNITY ORGANIZATIONS RELAY FOR LIFE AMERICAN CANCER SOCIETY RA CE FOR THE CURE BREAST CANCER JAIL BAIL MARCH OF DIMES REGIONAL SENIOR GAMES BUILDING MAIN TENANCE COMPUTER EQUIPMENT AND SOME MEDICAL EQUIPMENT PROVIDED TO THE HENDERSON CITYCOUNTY AMBULANCE SERVICE AT NO CHARGE PROVIDE FOR TRANSPORTATION COSTS FOR PATIENTS NEEDING ASSI STANCE TO THEIR HOMES FROM THE HOSPITAL CASH AND I

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	UNKIND CONTRIBUTIONS TO SUPPORT VARIOUS OTHER NONPROFITS LOCATED IN HENDERSON COUNTY KY CAS H DONATION TO ECONOMIC DEVELOPMENT ENTITY TO FOSTER DEVELOPMENT IN THE AREA SCHOLARSHIPS O FFERED TO NURSING PHYSICAL THERAPY RADIOLOGY AND PHARMACY STUDENTS PARTICIPATION IN LOCAL CAREER DAYS TO PROVIDE INFORMATION ON HEALTH CAREERS TO HIGH SCHOOL COLLEGE AND TECHNICAL SCHOOL STUDENTS HIGH SCHOOL AND COLLEGE STUDENTS GAIN VALUABLE EXPERIENCE THROUGH THE HEAL TH CAREERS PROGRAM THAT PUTS THEM IN A HOSPITAL SETTING WHILE EXPLORING HEALTHCARE CAREERS PRESENTATIONS MADE TO LOCAL HIGH SCHOOLS TO PROMOTE HEALTH CAREERS AND LECTURE ON HEALTHC ARE TOPICS HOSTED BIANNUAL BLOOD DRIVES FOR THE AMERICAN RED CROSS

Identifier	ReturnReference	Explanation
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	KENTUCKY

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL LINE NUMBER 1 PART V LINE 15E	PART V LINE 15E	PATIENTS WITHOUT THE ABILITY TO PAY ARE SCREENED FOR FINANCIAL ASSISTANCE PATIENTS WITH THE ABILITY TO PAY BUT FAIL TO DO SO AFTER A SERIES OF STATEMENTS AND COLLECTION EFFORTS ARE SUBMITTED TO A 3RD PARTY COLLECTION AGENCY TYPICALLY THIS OCCURS AFTER A MINIMUM OF 120 DAYS FROM DISCHARGE

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL LINE NUMBER 1 PART V LINE 16E	PART V LINE 16E	AN UNPAID BALANCE OF THE PATIENTS LIABILITY IS REFERRED TO A THIRD PARTY COLLECTION AGENCY TYPICALLY THIS OCCURS AT LEAST 120 DAYS FROM THE TIME THE PATIENT IS LIABLE FOR AN UNPAID BALANCE

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL LINE NUMBER 1 PART V LINE 19D	PART V LINE 19D	EVERYONE USING HOSPITAL SERVICES ARE CHARGED THE STANDARD RATES

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL LINE NUMBER 1 PART V LINE 21	PART V LINE 21	ALL PAYERS INCLUDING ENTITLEMENT PROGRAMS INSURANCE COMPANIES AND PATIENTS WITHOUT INSURANCE ARE BILLED AT HOSPITALS STANDARD RATE REIMBURSEMENT AND DISCOUNTS ARE BASED ON ENTITLEMENT ALLOWABLE CONTRACTUALLY MUTUALLY AGREEABLE REDUCTIONS OF CHARGES WITH INSURANCE COMPANIES AND MUTUALLY AGREEABLE REDUCTIONS OF CHARGES WITH PATIENTS

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL UNION COUNTY LINE NUMBER 2 PART V LINE 15E	PART V LINE 15E	SAME AS METHODIST HOSPITAL

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL UNION COUNTY LINE NUMBER 2 PART V LINE 16E	PART V LINE 16E	SAME AS METHODIST HOSPITAL

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL UNION COUNTY LINE NUMBER 2 PART V LINE 19D	PART V LINE 19D	SAME AS METHODIST HOSPITAL

Identifier	ReturnReference	Explanation
METHODIST HOSPITAL UNION COUNTY LINE NUMBER 2 PART V LINE 21	PART V LINE 21	SAME AS METHODIST HOSPITAL

Additional Data

Software ID:

Software Version:

EIN: 61-0461753

Name: COMMUNITY UNITED METHODIST HOSPITAL INC

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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? 21	
Name and address	Type of Facility (Describe)
METHODIST ORTHOPEDIC SERVICES 471 KLUTEY PARK PLAZA HENDERSON,KY 42420	ORTHOPEDIC PHYSICIAN SERVICES
METHODIST FAMILY PRACTICE 1284 US HWY 60 WEST MORGANFIELD,KY 42437	FAMILY PRACTICE/ O/P LAB X-RAY
METHODIST WOMEN'S HEALTH SERVICES 736 N ELM STREET HENDERSON,KY 42420	OB/GYN PHYSICIAN SERVICES
MH HOME MEDICAL EQUIPMENT 426 N ELM STREET HENDERSON,KY 42420	SALES/RENTAL OF MEDICAL EQUIPMENT
METHODIST FAMILY MEDICINE- STURGIS 9064 US HWY 60 STURGIS,KY 42459	FAMILY PRACTICE PHYSICIAN SVC
METHODIST FAMILY MEDICINE- HENDERSO 110 THIRD STREET SUITE 250 HENDERSON,KY 42420	FAMILY PRACTICE PHYSICIAN SVC
METHODIST HOSP SURGICAL SERVICES 110 THIRD STREET SUITE 105 HENDERSON,KY 42420	SURGICAL SERVICES
METHODIST COMPREHENSIVE CARE 2000 N ELM STREET SUITE 1A HENDERSON,KY 42420	FAMILY PRACTICE PHYSICIAN SVC
METHODIST FAMILY MEDICINE- BARRETT 1997 BARRETT BLVD HENDERSON,KY 42420	FAMILY PRACTICE PHYSICIAN SVC
METHODIST GASTROENTEROLOGY 1413 N ELM STREET SUITE 105 HENDERSON,KY 42420	GASTROENTEROLGY SVCS
METHODIST FAMILY MEDICINE- 8TH ST 319 EIGHTH STREET SUITE 1 HENDERSON,KY 42420	FAMILY PRACTICE PHYSICIAN SVC
METHODIST FAMILY MEDICINE- ELM ST 1413 N ELM STREET SUITE 204 HENDERSON,KY 42420	FAMILY PRACTICE PHYSICIAN SVC
METHODIST HEMATOLOGYONCOLOGY 110 WATER STREET HENDERSON,KY 42420	HEMATOLOGY/ONCOLOGY SVCS
WEBSTER COUNTY FAMILY MEDICINE 1355 HWY 41-A SOUTH DIXON,KY 42409	AMBULATORY CARE CLINIC
METHODIST FAILY MEDICINE- SEBREE 47 W WEBSTER STREET SEBREE,KY 42455	AMBULATORY CARE CLINIC
CONTINUITY CARE CLINIC 1305 N ELM STREET HENDERSON,KY 42420	RESIDENT/INTERN FAMILY MED CLINIC
MH PRIMARY CARE CENTER 700 MARTIN LUTHER LING BLVD HENDERSON,KY 42420	COMMUNITY CHILD HEALTH SERVICE
METHODIST FAMILY MEDICINE- EAST 411 LETCHER STREET HENDERSON,KY 42420	FAMILY PRACTICE PHYSICIAN SVC
METHODIST HOSPITAL AUXILLARY 1305 N ELM STREET HENDERSON,KY 42420	VOLUNTEER SERVICES/DONATIONS
METHODIST OCCUPATIONAL HEALTH 110 THIRD STREET SUITE 120 HENDERSON,KY 42420	WORK RELATED ISSUES/INJURIES
KENTUCKY HOMECARE OF HENDERSON LLC 110 2ND STREET HENDERSON,KY 42420	HOME HEALTH CARE SERVICES

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number
61-0461753

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) NORTHWEST KENTUCKY FORWARD INC 1990 BARRETT COURT SUITE A PO BOX 674 HENDERSON, KY 42420	61-1018220	4	18,875				ECONOMIC DEVELOPMENT
(2) HENDERSON COMMUNITY COLLEGE 2660 S GREEN STREET HENDERSON, KY 42420	61-1320380	6	73,800				SEE PART IV

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

3 Enter total number of other organizations ▶ 2

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) HEALTHCARE SCHOLARSHIP	10	23,460			
(2) RETROACTIVE SCHOLARSHIP	2	10,573			
(3) EDUCATIONAL ASSISTANCE	66	165,960			

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	SCHEDULE I, PAGE 4, PART IV	HENDERSON COMMUNITY COLLEGE (PART II)- TO MEET THE COMMUNITY NEED FOR ADDITIONAL NURSING STUDENTS, THE HOSPITAL PLEDGED FUNDING OF 70,000 TO EXPAND THE NURSING PROGRAM AT THE LOCAL COMMUNITY COLLEGE. ADDITIONALLY FUNDED 3,800 FOR THE JOHN A. LOGAN SCHOLARSHIP WHICH IS AWARDED TO A VERY DESERVING STUDENT SO THEY CAN PURSUE THEIR GOAL OF ATTAINING A COLLEGE EDUCATION. FUNDS ARE PROVIDED TO HENDERSON COMMUNITY COLLEGE, WHO AWARDS THE SCHOLARSHIPS TO PARTICIPANTS OF THEIR CHOOSING HEALTHCARE SCHOLARSHIPS- A RECIPIENT MUST FILL OUT AN APPLICATION AND THEN IT IS SENT TO A COMMITTEE TO BE APPROVED OR DENIED. THE RECIPIENT MUST BE ACCEPTED INTO A DEGREE PROGRAM THAT IS CRITICAL AND NECESSARY TO THE OPERATION OF THE HOSPITAL. RECIPIENTS MUST MAINTAIN A CUMMULATIVE GPA OF 2.5 AND A FULL TIME COURSE STUDY (12 OR MORE CREDIT HOURS). THEY MUST SEND VERIFICATION OF GPA EACH SEMESTER. SCHOLARSHIP RECIPIENTS ARE OBLIGATED TO EMPLOYMENT WITH METHODIST HOSPITAL AFTER GRADUATION ACCORDING TO THE NUMBER OF SEMESTERS FUNDED. FAILURE TO MEET THE SCHOLARSHIP REQUIREMENTS MAY RESULT IN REPAYMENT OF SCHOLARSHIP DOLLARS. RETROACTIVE SCHOLARSHIP- IT IS APPROVED AFTER DISCUSSION BETWEEN RECRUITERS, DEPARTMENT DIRECTORS, AND HR DIRECTOR. IT IS BASED ON THE POSITION- HOW HARD IT WAS TO FILL AND THAT THE APPLICANT WOULD NOT ACCEPT OFFER IF THEY DID NOT GET THE RETRO PAYMENT. MUST COMPLETE A 2 YEAR WORK AGREEMENT WITH METHODIST HOSPITAL OR FUNDS ARE REQUIRED TO BE REPAYED. EDUCATIONAL ASSISTANCE- EACH RECIPIENT MUST FILL OUT AN APPLICATION FOR EDUCATIONAL ASSISTANCE AND IT IS SENT TO A COMMITTEE TO BE APPROVED OR DENIED. ONCE THE APPLICATION IS APPROVED THE EMPLOYEE IS NOTIFIED. ONCE THE APPLICANT FINISHES HIS/HER CLASS WITH A PASSING GRADE OF A C OR BETTER, THE HOSPITAL WILL REIMBURSE THE EMPLOYEE FOR THE COST OF BOOKS, TUITION AND LAB FEES UP TO 3000 FOR ASSOCIATES AND 4000 FOR BACHELORS OR MASTERS PER CALENDAR YEAR. IF THE EMPLOYEE LEAVES EMPLOYMENT THEY ARE REQUIRED TO PAY BACK ANY FUNDS REIMBURSED WITHIN THE LAST YEAR.

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number

61-0461753

Part I

Questions Regarding Compensation

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

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use 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) BEGLEY BRUCE D	(i) (ii)	418,453		8,683	37,049	12,383	476,568	
(2) SPRAGUE DR ARNOLD III	(i) (ii)	244,407		16,500	35,714	13,822	310,443	
(3) PARK DAVID B	(i) (ii)	168,396		17,046	22,941	7,201	215,584	
(4) HEBBLER GREG	(i) (ii)	157,499		25,416	13,988	11,573	208,476	
(5) MERIWETHER JOHN W	(i) (ii)	160,239		17,836	42,582	17,024	237,681	
(6) REID WILSON MD	(i) (ii)	464,728	468,411	16,500	4,950	17,624	972,213	
(7) JAMES YELTON MD	(i) (ii)	460,211	228,901	16,500	3,939	18,023	727,574	
(8) KRISTOPHER BEICKMAN MD	(i) (ii)	346,660	129,743	28,716	9,879	18,023	533,021	
(9) VINROD D SONI MD	(i) (ii)	385,591		16,500	4,938	10,823	417,852	
(10) JAMES A HOHMAN MD	(i) (ii)	253,062				1,900	254,962	
(11) LOGAN JOHN A III	(i) (ii)	192,308					192,308	
(12)								
(13)								
(14)								
(15)								
(16)								

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	SOCIAL CLUB DUES- PAID ON BEHALF OF THE HOSPITAL FOR THE CEO AT MH FOR PURPOSE OF RECRUITING PHYSICIAN'S SPECIALTIES FOR THE HEALTHCARE ORGANIZATION, WAS NOT TREATED AS TAXABLE COMPENSATION

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 in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number
61-0461753

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) Pool financing	
						Yes	No	Yes	No	Yes	No
A COUNTY OF HENDERSONKY SERIES 2009A	61-6000814		12-30-2009	12,000,000	SEE PART V		X		X		X
B COUNTY OF HENDERSONKY SERIES 2009B	61-6000814		12-30-2009	18,000,000	SEE PART V		X		X		X
C COUNTY OF HENDERSON KY SERIES 2010	61-6000814		02-16-2010	14,210,000	SEE PART V		X		X		X
D COUNTY OF HENDERSON KY	61-6000814		06-08-2007	7,400,000	SEE PART V		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	12,000,000		18,000,000		14,210,000		7,400,000	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	102,783		102,783				29,900	
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	7,370,100						7,370,100	
11	Other spent proceeds	12,000,000		17,897,217		14,210,000			
12	Other unspent proceeds								
13	Year of substantial completion	2010		2010		2010		2010	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X		X			X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

Part IIIPrivate 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?	X		X		X		X	
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		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		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								
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	0 570 %		0 570 %				0 400 %	
6	Total of lines 4 and 5	0 570 %		0 570 %				0 400 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IVArbitrage

		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		X		X
2	Is the bond issue a variable rate issue?		X	X		X			X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X		X			X
b	Name of provider	FIFTH THIRDBANK		FIFTH THIRDBANK		FIFTH THIRDBANK			
c	Term of hedge	5 0		5 0		5 0			
d	Was the hedge superintegrated?		X		X		X		
e	Was a hedge terminated?		X		X		X		
4a	Were gross proceeds invested in a GIC?		X		X		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		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part VSupplemental Information

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

Identifier	Return Reference	Explanation
DIFFERENCES IN ISSUE PRICE EXPLANATION	SCHEDULE K	COUNTY OF HENDERSONKY SERIES 2009A SINGLE FORM 8038 WAS FILED FOR THE 12000000 SERIES 2009A AND 18000000 SERIES 2009B COUNTY OF HENDERSON KY HOSPITAL FACILITIES REFUNDING REVENUE BONDS REPORTED SEPERATELY ON SCHEDULE K DUE TO ISSUES HAVING DIFFERENT PURPOSES INTEREST RATES AND MATURITIES COUNTY OF HENDERSONKY SERIES 2009B REFER TO SERIES 2009A EXPLANATION
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	COUNTY OF HENDERSONKY SERIES 2009A REFINANCING OF SHORTTERM DEBT WHICH HAD BEEN USED TO FINANCE CAPITAL ACQUISITIONS AND CONSTRUCTION PROJECTS TO LONGTERM DEBT COUNTY OF HENDERSONKY SERIES 2009B PARTIAL REFUNDING OF PORTION OF HENDERSON COUNTY SERIES 2003 B DEBT COUNTY OF HENDERSON KY SERIES 2010 PARTIAL REFUNDING OF REMAINING PORTION OF HENDERSON COUNTY SERIES 2003 B DEBT COUNTY OF HENDERSON KY FINANCE ACQUISITION OF MEDITECH CLINICAL INFORMATION SYSTEM COUNTY OF UNION KY FINANCE ACQUISITION OF CAPITAL EXEPENDITURES MEDICAL EQUIPMENT FOR NEW OPERATING ROOM

Schedule K
(Form 990)

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 in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number
61-0461753

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) Pool financing	
						Yes	No	Yes	No	Yes	No
A COUNTY OF HENDERSONKY SERIES 2009A	61-6000814		12-30-2009	12,000,000	SEE PART V		X		X		X
B COUNTY OF HENDERSONKY SERIES 2009B	61-6000814		12-30-2009	18,000,000	SEE PART V		X		X		X
C COUNTY OF HENDERSON KY SERIES 2010	61-6000814		02-16-2010	14,210,000	SEE PART V		X		X		X
D COUNTY OF HENDERSON KY	61-6000814		06-08-2007	7,400,000	SEE PART V		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	12,000,000		18,000,000		14,210,000		7,400,000	
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	102,783		102,783				29,900	
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	7,370,100						7,370,100	
11	Other spent proceeds	12,000,000		17,897,217		14,210,000			
12	Other unspent proceeds								
13	Year of substantial completion	2010		2010		2010		2010	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X	X		X			X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		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		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		X

Part IIIPrivate 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?	X		X		X		X	
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		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		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								
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	0 570 %		0 570 %				0 400 %	
6	Total of lines 4 and 5	0 570 %		0 570 %				0 400 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IVArbitrage

		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		X		X
2	Is the bond issue a variable rate issue?		X	X		X			X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X		X			X
b	Name of provider	FIFTH THIRDBANK		FIFTH THIRDBANK		FIFTH THIRDBANK			
c	Term of hedge	5 0		5 0		5 0			
d	Was the hedge superintegrated?		X		X		X		
e	Was a hedge terminated?		X		X		X		
4a	Were gross proceeds invested in a GIC?		X		X		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		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part VSupplemental Information

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

Identifier	Return Reference	Explanation
DIFFERENCES IN ISSUE PRICE EXPLANATION	SCHEDULE K	COUNTY OF HENDERSONKY SERIES 2009A SINGLE FORM 8038 WAS FILED FOR THE 12000000 SERIES 2009A AND 18000000 SERIES 2009B COUNTY OF HENDERSON KY HOSPITAL FACILITIES REFUNDING REVENUE BONDS REPORTED SEPERATELY ON SCHEDULE K DUE TO ISSUES HAVING DIFFERENT PURPOSES INTEREST RATES AND MATURITIES COUNTY OF HENDERSONKY SERIES 2009B REFER TO SERIES 2009A EXPLANATION
PURPOSE OF ISSUE DESCRIPTION	SCHEDULE K	COUNTY OF HENDERSONKY SERIES 2009A REFINANCING OF SHORTTERM DEBT WHICH HAD BEEN USED TO FINANCE CAPITAL ACQUISITIONS AND CONSTRUCTION PROJECTS TO LONGTERM DEBT COUNTY OF HENDERSONKY SERIES 2009B PARTIAL REFUNDING OF PORTION OF HENDERSON COUNTY SERIES 2003 B DEBT COUNTY OF HENDERSON KY SERIES 2010 PARTIAL REFUNDING OF REMAINING PORTION OF HENDERSON COUNTY SERIES 2003 B DEBT COUNTY OF HENDERSON KY FINANCE ACQUISITION OF MEDITECH CLINICAL INFORMATION SYSTEM COUNTY OF UNION KY FINANCE ACQUISITION OF CAPITAL EXEPENDITURES MEDICAL EQUIPMENT FOR NEW OPERATING ROOM

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number

61-0461753

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) KRISTOPHER BEICKMAN STUDENT LOAN PAYOFF		X	143,581	28,716		No	Yes		Yes	
Total ▶ \$				28,716						

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 61-0461753
Name: COMMUNITY UNITED METHODIST
HOSPITAL INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
OHIO VALLEY NATIONAL BANK	COMMON BD MBR	143,580	TRUST FEES		No
REID WILSON MD	RELATED KEY EMP	985,309	WAGES		No
JILLIAN CLARK	RELATED KEY EMP	48,496	WAGES		No
HALEY MORGAN	RELATED KEY EMP	26,511	WAGES		No
AMY DAVENPORT	RELATED BOARD	24,889	WAGES		No
CHLOE EBLEN	RELATED BOARD	58,949	WAGES		No
JULIE WISCHER	RELATED BOARD	41,410	WAGES		No

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization COMMUNITY UNITED METHODIST HOSPITAL INC	Employer identification number 61-0461753
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Identifier	Return Reference	Explanation
FIRST ACHIEVEMENT DESCRIPTION	FORM 990, PAGE 2, PART III, LINE 4A	UNION COUNTY METHODIST HOSPITAL IS A CRITICAL CARE HOSPITAL IN UNION COUNTY, KY IN 2011, UCMH SERVED 804 INPATIENTS FOR A TOTAL OF 5,600 INPATIENT DAYS UCMH ALSO PROVIDED 22,280 OUTPATIENT VISITS WHICH INCLUDED 8,278 EMERGENCY ROOM VISITS

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	FORM 990, PART VI	LINE 16B - JOINT VENTURE POLICY ALTHOUGH THE HOSPITAL HAS NO WRITTEN POLICY , THE AGREEMENT WITH THE JOINT VENTURE STATES THAT THE ORGANIZATION MUST ACCEPT CERTAIN RATIOS OF PATIENTS WHICH ENSURE ACCEPTANCE OF MEDICARE, MEDICAID AND INDIGENT PATIENTS SIMILAR TO RATIOS OFFERED BY THE HOSPITAL PRIOR TO THE JOINT VENTURE AGREEMENT WAS REVIEWED BY INDEPENDENT THIRD PARTIES TO ENSURE COMPLIANCE

Identifier	Return Reference	Explanation
RELATED PARTY INFORMATION AMONG OFFICERS	FORM 990, PAGE 6, PART VI, LINE 2	JON SIGHTS DALE SIGHTS DIRECTOR OFFICER FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	COMMUNITY UNITED METHODIST HOSPITAL, INC IS GOVERNED BY A BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	THE NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS CONSIDER THE APPROPRIATE BOARD MEMBER CANDIDATES BASED ON CRITERIA THE COMMITTEE MAKES BOARD MEMBER RECOMMENDATIONS TO THE BOARD WHICH VOTES AT A REGULARLY SCHEDULED MEETING

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	BOARD MEMBERS DISCUSS AND APPROVE DECISIONS THAT ARE CRUCIAL TO THE HOSPITAL WITH APPROVAL BY MAJORITY

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	FORM 990 INFORMATION IS COMPILED BY HOSPITAL MANAGEMENT AND RETURN IS PREPARED BY AN INDEPENDENT THIRD PARTY CERTIFIED PUBLIC ACCOUNTING FIRM FAMILIAR WITH HOSPITAL OPERATIONS, POLICIES, AND COMMITTEE/BOARD ACTIONS. FINAL RETURN IS REVIEWED BY CEO & CFO. RETURNS ARE REVIEWED BY THE AUDIT AND COMPLIANCE COMMITTEE (OF THE BOARD OF DIRECTORS) FOR RECOMMENDATION TO THE FULL BOARD OF DIRECTORS FOR APPROVAL. EMAIL IS SENT TO THE MEMBERS OF THE BOARD OF DIRECTORS INFORMING THEM THAT THE FORM 990 IS AVAILABLE IN IT'S ENTIRETY.

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ONGOING MONITORING BY COMPLIANCE OFFICER (MH VP OF LEGAL SERVICES)

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	EVERY YEAR, SURVEYS ARE SENT OUT TO THE BOARD MEMBERS, MEDICAL STAFF AND DIRECTORS. SURVEYS ARE RETURNED AND TABULATED CONFIDENTIALLY AND THE AGGREGATED RESPONSES ARE SHARED WITH THE ADMINISTRATIVE PERSONNEL COMMITTEE AND THE BOARD. COMPENSATION IS REVIEWED BY USING THIRD PARTY EXECUTIVE COMPENSATION SURVEYS. CURRENTLY, COMPENSATION AND THIRD PARTY EXECUTIVE COMPENSATION SURVEYS ARE THEN REVIEWED BY THE ADMINISTRATIVE PERSONNEL COMMITTEE WHO THEN RECOMMENDS APPROVAL TO THE INDEPENDENT BOARD. THE BOARD HAS FINAL APPROVAL ON COMPENSATION FOR THE CEO.

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	EVERY YEAR, HOSPITAL USES EXTERNAL THIRD PARTY COMPENSATION SURVEYS FOR ALL KEY EMPLOYEES

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	METHODIST HOSPITAL CONFORMS TO THE FREEDOM OF INFORMATION ACT, HOSPITAL PROVIDES DOCUMENTS REQUESTED VIA PUBLIC REQUEST

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
COMMUNITY UNITED METHODIST
HOSPITAL INC

Employer identification number

61-0461753

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) HENDERSON REGIONAL HOSPITAL FNDN 1305 NORTH ELM STREET HENDERSON, KY 42420 61-0944432	FUNDRAISNG	KY	501C3	9	N/A		No
(2) TRI-CO MEDICAL COLLECTIONS INC 1305 NORTH ELM STREET HENDERSON, KY 42420 61-1202266	COLLECTION	KY	501C3	11C	N/A		No
(3) UNION CO METHODIST HOSPITAL FNDN 4604 US HWY 60 WEST MORGANFIELD, KY 42437 61-1230297	FUNDRAISNG	KY	501C3	9	N/A		No

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) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) KENTUCKY HOMECARE OF HENDERSON LLC 420 WEST PINHOOK RAOD LAFAYETTE, LA70503 26-4812417	HOMEHEALTH	KY	N/A	RELATED	36,084	287,443		No			No	33 000 %

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) COMMUNITY CARE NETWORK INC 220 A SECOND STREET HENDERSON, KY42420 61-1254545	HOSP NET	KY	N/A	C CORP	256,718	57,885	100 000 %

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

Yes

Yes

No

Yes

Yes

No

Yes

No

No

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) HENDERSON REGIONAL HOSPITAL FNDN	C	88,544	ACTUAL AMOUNTS USED
(2) TRI-COUNTY MEDICAL COLLECTIONS INC	P	164,100	ACTUAL AMOUNTS USED
(3) TRI-COUNTY MEDICAL COLLECTIONS INC	L	370,660	ACTUAL AMOUNTS USED
(4) HENDERSON REGIONAL HOSPITAL FNDN	N	79,078	ACTUAL AMOUNTS USED
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
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**METHODIST
HOSPITAL**

COMMUNITY UNITED METHODIST HOSPITAL, INC.

**REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

For the fiscal years ended June 30, 2011 and 2010

Contents

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McELROY, MITCHELL & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

PARTNERS

S. MARTIN McELROY, JR., CPA
ROBERT E. MITCHELL, CPA

ASSOCIATES

TODD BOWLEY
ERIC SUDNUTH

To the Board of Directors of
Community United Methodist Hospital, Inc.
Henderson, Kentucky

We have audited the accompanying consolidated balance sheets of Community United Methodist Hospital, Inc. (a non-profit organization) and affiliates as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Community United Methodist Hospital, Inc.'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. These 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community United Methodist Hospital, Inc. and affiliates as of June 30, 2011 and 2010, and changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements referred to in the first paragraph taken as a whole. The accompanying schedules on pages 31 through 34 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McElroy, Mitchell & Associates, LLP

Morganfield, Kentucky
October 20, 2011

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Consolidated Balance Sheets
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,856,282	\$ 16,671,199
Investments	10,333,124	10,270,392
Patient accounts receivable, net of estimated uncollectibles of \$22,481,000 and \$30,412,052 respectively	26,093,352	26,142,093
Other receivables	2,304,041	2,527,963
Inventories	2,231,320	1,770,976
Third-party payor settlements	-	605,039
Other current assets	<u>1,653,937</u>	<u>1,257,374</u>
Total current assets	<u>61,472,056</u>	<u>59,245,036</u>
Assets limited as to use:		
Self-insurance fund	<u>4,689,536</u>	<u>4,656,948</u>
Interest in net assets of Henderson Regional Hospital Foundation, Inc. and Union County Methodist Hospital Foundation, Inc.	<u>908,974</u>	<u>780,413</u>
Property and equipment, net	87,799,918	90,420,947
Other long-term receivables	2,206,059	1,820,913
Other non-current assets	<u>918,984</u>	<u>835,793</u>
	<u>90,924,961</u>	<u>93,077,653</u>
Total assets	<u><u>\$ 157,995,527</u></u>	<u><u>\$ 157,760,050</u></u>

	<u>2011</u>	<u>2010</u>
Liabilities and Net Assets		
Current liabilities:		
Notes payable	\$ -	\$ 23,775
Current portion of long-term debt	4,793,606	4,564,556
Current portion of obligations under capital lease	69,267	36,293
Accounts payable	4,430,354	4,284,326
Accrued vacation	3,892,911	3,642,154
Accrued payroll	737,809	555,804
Deferred revenue and gains	27,701	8,330
Other accrued liabilities	4,316,317	3,971,904
Estimated third-party payor settlements	<u>3,971,463</u>	<u>2,994,287</u>
Total current liabilities	<u>22,239,428</u>	<u>20,081,429</u>
Self-insurance liabilities and estimated costs	4,672,701	4,601,421
Derivative liability	2,839,970	3,211,198
Accrued retirement	10,279,255	18,823,638
Other non-current liabilities	113,962	171,484
Long-term portion of obligations under capital lease	20,717	17,110
Long-term debt, net of current portion	<u>40,957,542</u>	<u>45,551,632</u>
Total liabilities	<u>81,123,575</u>	<u>92,457,912</u>
Net Assets:		
Unrestricted	75,962,978	64,521,725
Temporarily restricted	<u>908,974</u>	<u>780,413</u>
Total net assets	<u>76,871,952</u>	<u>65,302,138</u>
Total liabilities and net assets	<u><u>\$ 157,995,527</u></u>	<u><u>\$ 157,760,050</u></u>

The accompanying notes are an integral part of these financial statements

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Consolidated Statements of Operations
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 145,142,050	\$ 141,540,580
Other operating revenue	3,489,098	2,214,934
Investment income	403,628	414,965
Gain (loss) on sale of equipment	<u>31,680</u>	<u>(6,891)</u>
Total unrestricted revenues, gains and other support	<u>149,066,456</u>	<u>144,163,588</u>
Expenses:		
Nursing services	26,702,422	27,203,144
Other professional services	43,504,547	38,649,042
General services	8,269,598	8,443,895
Administrative and fiscal services	13,775,557	13,009,041
Employee benefits	18,241,276	18,153,230
Depreciation and amortization	7,651,169	7,499,999
Interest	3,046,076	3,331,791
Provision for bad debts	22,316,640	21,390,964
Other operating expenses	<u>3,988,593</u>	<u>4,534,977</u>
Total expenses	<u>147,495,878</u>	<u>142,216,083</u>
Excess of revenues, gains and other support over expenses	1,570,578	1,947,505
Net assets released from restrictions	93,691	830,856
Decrease in pension liability	9,396,409	4,395,208
Unrealized gain (loss) on derivative	371,228	(900,268)
Contributions from others	<u>9,347</u>	<u>11,860</u>
Increase in unrestricted net assets, before extraordinary item	11,441,253	6,285,161
Extraordinary loss on extinguishment of debt	<u>-</u>	<u>(244,232)</u>
Increase in unrestricted net assets	<u><u>\$ 11,441,253</u></u>	<u><u>\$ 6,040,929</u></u>

The accompanying notes are an integral part of these financial statements

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted net assets:		
Excess of revenues, gains and other support over expenses	\$ 1,570,578	\$ 1,947,505
Net assets released from restrictions	93,691	830,856
Unrealized gain (loss) on derivative	371,228	(900,268)
Decrease in pension liability	9,396,409	4,395,208
Contributions from others	<u>9,347</u>	<u>11,860</u>
Increase in unrestricted net assets before extraordinary item	11,441,253	6,285,161
Extraordinary loss on extinguishment of debt	<u>-</u>	<u>(244,232)</u>
Increase in unrestricted net assets	<u>11,441,253</u>	<u>6,040,929</u>
Temporarily restricted net assets:		
Change in interest in net assets of Henderson Regional Hospital Foundation, Inc. and Union County Methodist Hospital Foundation, Inc.	222,252	243,628
Net assets released from restrictions	<u>(93,691)</u>	<u>(830,856)</u>
Increase (decrease) in temporarily restricted net assets	<u>128,561</u>	<u>(587,228)</u>
Increase in net assets	11,569,814	5,453,701
Net assets at beginning of year	<u>65,302,138</u>	<u>59,848,437</u>
Net assets at end of year	<u><u>\$ 76,871,952</u></u>	<u><u>\$ 65,302,138</u></u>

The accompanying notes are an integral part of these financial statements

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Consolidated Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,569,814	\$ 5,453,701
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Extraordinary loss on extinguishment of debt	-	244,232
Depreciation and amortization	7,651,169	7,499,999
Provision for bad debts	22,316,640	21,390,964
(Gain) loss on sale of equipment	(31,680)	6,891
Restricted investment income received	(589)	(719)
Unrealized (gain) loss on derivative	(371,228)	900,268
Undistributed portion of change in interest in net assets of Henderson Regional Hospital Foundation, Inc. and Union County Methodist Hospital Foundation, Inc.	(128,561)	587,228
Decrease in pension liability	(8,544,383)	(4,000,704)
(Increase) decrease in operating assets:		
Patient accounts receivable	(22,267,899)	(15,689,482)
Other receivables	27,045	322,901
Inventories	(460,344)	(129,094)
Third-party payor settlements	605,039	3,630,235
Other current assets	(396,563)	248,532
Increase (decrease) in operating liabilities:		
Accounts payable	146,028	(1,188,434)
Accrued liabilities	848,455	(496,409)
Estimated third-party payor settlements	977,176	806,240
Deferred revenue and gains	19,371	(17,654)
Net cash provided by operations	<u>11,959,490</u>	<u>19,568,695</u>
Cash flows from investing activities:		
Purchases of property and equipment	(5,146,778)	(5,679,772)
Proceeds from the sale of property and equipment	7,605	65,992
Advances to self-insurance fund	(391,072)	(1,122,103)
Withdraws from self-insurance fund	358,485	200,000
Purchases of investments	(17,438,383)	(18,526,535)
Proceeds from the sale and maturity of investments	17,372,503	19,212,528
Proceeds from Henderson County on ambulance facility	47,694	112,794
Collections from physicians	39,071	76,552
Advances to physicians	(271,887)	(1,362,642)
Net cash used by investing activities	<u>(5,422,762)</u>	<u>(7,023,186)</u>

Continued

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Consolidated Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from financing activities:		
Proceeds from issuance of debt	\$ 109,676	\$ 44,281,322
Principal payments on notes payable	(23,775)	(15,000,000)
Principal payments on capital leases	(73,095)	(47,983)
Principal payments on long-term debt	(4,365,040)	(39,295,167)
Debt issuance costs paid	-	(399,462)
Proceeds from restricted investment income	<u>589</u>	<u>719</u>
Net cash used by financing activities	<u>(4,351,645)</u>	<u>(10,460,571)</u>
Net increase in cash and cash equivalents	2,185,083	2,084,938
Cash and cash equivalents, beginning of year	<u>16,671,199</u>	<u>14,586,261</u>
Cash and cash equivalents, end of year	<u><u>\$ 18,856,282</u></u>	<u><u>\$ 16,671,199</u></u>
 Supplemental Disclosures:		
Cash interest paid	<u><u>\$ 2,910,744</u></u>	<u><u>\$ 3,316,404</u></u>
 Non-Cash Investing and Financing Activities:		
Acquisition of equipment via capital lease	<u><u>\$ 109,676</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

1. Description of Organization and Summary of Significant Accounting Policies

A. Organization

Community United Methodist Hospital, Inc. (the Hospital) is a not-for-profit organization operating an acute care hospital, a critical access hospital, a medical equipment service, and medical outpatient clinics, serving primarily Henderson, Webster and Union Counties in northwestern Kentucky. Admitting physicians are primarily practitioners in the local area. The Hospital was incorporated in Kentucky in 1948.

B. Principles of Consolidation

The accompanying financial statements include the accounts of Community United Methodist Hospital, Inc. and the following affiliated organizations: Tri-County Medical Collections and Community Care Network, Inc. All inter-company transactions and balances have been eliminated in consolidation.

C. Use of Estimates

The preparation of the financial statements in conformity with 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less.

The Hospital routinely invests its surplus operating funds in certificates of deposit, repurchase agreements, and money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations.

At June 30, 2011, Community United Methodist Hospital, Inc. maintained deposits of \$33,561,409 at eight financial institutions. Of these bank balances, \$5,571,285 was covered by federal depository insurance, \$1,410,686 were repurchase agreements with various financial institutions secured by mortgage-backed U.S. government agency securities, \$9,679,288 was secured by pledged collateral and \$16,900,150 was neither insured nor collateralized as of June 30, 2011. However, management believes that the credit risk relating to these deposits is minimal due to the underlying nature of these investments.

E. Patient Accounts Receivable

Patient accounts receivable are reflected on the balance sheet net of allowances for estimated uncollectibles. These allowances are determined based upon an annual review of account balances, including the age of the balance and the historical experience with the payor based on insurance type and collection experience.

1. Description of Organization and Summary of Significant Accounting Policies, Continued

F. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities. Donated investments are recorded at fair value at the date of receipt, which is then treated as cost.

G. Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under loan agreements, set aside in accordance with agreements with third-party payors; and designated by the Board of Directors for future capital improvements and self-insurance reserves, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current obligations of the Hospital have been reclassified in the balance sheet at June 30, 2011 and 2010.

H. Inventories

Inventories are stated at lower of cost, determined primarily by the first-in, first-out method, or market. Inventories consist primarily of medical, surgical, and pharmaceutical supplies.

I. Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life, based on American Hospital Association guidelines, of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

COMMUNITY UNITED METHODIST HOSPITAL, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

1. Description of Organization and Summary of Significant Accounting Policies, Continued

J. Cost of Borrowing

Deferred financing costs associated with the issuance of the notes payable to Henderson County are being amortized on the straight line method over the term of the debt. Amortization expense charged to the statement of activities for the years ended June 30, 2011 and 2010 was \$20,142 and \$17,356, respectively.

K. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors and are to be maintained by the Hospital in perpetuity.

L. Excess of Revenues Over Expenses

The statement of operations includes excess of revenues over expenses. Changes in unrestricted assets, which are excluded from the excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, 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 purposes of acquiring such assets).

M. Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

N. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

COMMUNITY UNITED METHODIST HOSPITAL, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

1. Description of Organization and Summary of Significant Accounting Policies, Continued

O. Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue or receivables.

P. Compensated Absences

Compensated absences are accrued when the employee's right to receive compensation for future absences is earned.

Q. Estimated Malpractice Costs

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

R. Income Taxes

The Hospital is a not-for-profit corporation and has been recognized as tax-exempt pursuant to Section 501(c) (3) of the Internal Revenue Code.

S. Goodwill

Long-lived assets are reviewed for impairment whenever events and changes in business circumstances indicate the carrying value of the assets may not be recoverable.

T. Reclassifications

Certain items relating to prior year amounts have been reclassified in the financial statements to conform to current year's presentation. These reclassifications had no impact on the net assets previously reported.

COMMUNITY UNITED METHODIST HOSPITAL, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

2. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

A. Medicare

Inpatient acute care services and outpatient 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. Inpatient nonacute services, certain outpatient services and defined capital and medical education costs related to Medicare beneficiaries are paid based upon a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. These cost reports have been settled for Methodist Hospital through June 30, 2007 and Union County Methodist Hospital through June 30, 2010.

B. Medicaid

The Department of Medicaid services has adopted the Medicare Prospective Payment System approach and implemented the Medicaid DRG payment system for inpatient services as of April 1, 2003. Prior to this date reimbursement was on a per diem basis. Outpatient services continue under the cost reimbursement methodology with the exception of emergency room services. They now pay on a three tier fixed price basis with final settlement determined after the submission and audit of annual cost reports. These cost reports have been settled for Methodist Hospital through June 30, 2008 and Union County Methodist Hospital through June 30, 2009.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates may change by an unknown amount in the near term. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future governmental review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. The Hospital's classification of patients and the appropriateness of their care are subject to review by the fiscal intermediaries administering the Medicare and Medicaid programs.

Revenue from the Medicare and Medicaid programs accounted for approximately 27.5 percent and 12.7 percent, respectively, of the Hospital's net patient revenue for the year ended June 30, 2011 and 26.8 percent and 12.5 percent, respectively, of the Hospital's net patient revenue for the year ended June 30, 2010.

The Hospital has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

COMMUNITY UNITED METHODIST HOSPITAL, INC.**Notes to Consolidated Financial Statements****June 30, 2011 and 2010****3. Investments****Assets Limited as to Use**

The composition of assets whose use is limited at June 30, 2011 and 2010 is set forth below. Investments are stated at fair value.

	<u>2011</u>	<u>2010</u>
Self-insurance fund:		
Cash and cash equivalents	\$ 4,689,497	\$ 4,656,910
Interest receivable	39	38
Total assets whose use is limited	<u>\$ 4,689,536</u>	<u>\$ 4,656,948</u>

Other Investments

Other investments, stated at fair value, at June 30, 2011 and 2010, include:

	<u>2011</u>	<u>2010</u>
Certificates of deposit	\$ 8,915,294	\$ 8,864,515
Repurchase agreements	1,410,686	1,395,585
Interest receivable	7,144	10,292
Total investments	<u>\$ 10,333,124</u>	<u>\$ 10,270,392</u>

Investment income of \$403,628 and \$414,965, for the years ending June 30, 2011 and 2010, respectively, consisted entirely of interest income.

4. Ambulance Service

The Hospital has agreements with the City of Henderson, Henderson County Fiscal Court, and Union County Fiscal Court to operate their respective county-wide ambulance services. The agreements provide for the Hospital to be reimbursed for any excess of the costs of operations over revenues earned. The receivable from local governments at June 30, 2011 and 2010 (included in "other receivables" on the balance sheets) is \$198,728 and \$232,527, respectively. The Hospital has an additional agreement with the City of Henderson and the Henderson County Fiscal Court to reimburse the Hospital for construction costs related to the south end ambulance garage. The receivable related to this building at June 30, 2011 and 2010 (included in "other receivables" on the balance sheets) is \$0 and \$47,694, respectively.

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Notes to Consolidated Financial Statements
June 30, 2011 and 2010

5. Property and Equipment

A summary of property and equipment at June 30, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Land	\$ 884,356	\$ 884,356
Land improvements	1,766,608	1,765,573
Building and improvements	98,051,433	97,603,208
Equipment and furniture	65,442,286	63,578,682
Equipment under capital lease obligations	<u>251,239</u>	<u>140,063</u>
	166,395,922	163,971,882
Less: accumulated depreciation and amortization	<u>81,908,884</u>	<u>74,391,277</u>
	84,487,038	89,580,605
Construction in progress	<u>3,312,880</u>	<u>840,342</u>
Property and equipment, net	<u><u>\$ 87,799,918</u></u>	<u><u>\$ 90,420,947</u></u>

Depreciation expense for the years ended June 30, 2011 and 2010 amounted to \$7,618,494 and \$7,470,110, respectively. Accumulated depreciation for equipment under capital lease obligations was \$100,601 and \$59,524 at June 30, 2011 and 2010, respectively. Capitalized interest related to construction projects for the years ended June 30, 2011 and 2010 amounted to \$0 and \$46,152, respectively.

6. Debt and Obligations Under Capital Leases

A. Long-Term Debt

On December 30, 2009 and January 1, 2010, the County of Henderson, Kentucky issued Bonds in the principal sums of \$18,000,000 (Series 2009 B) and \$14,210,000 (Series 2010 A). The proceeds from these bonds were loaned by the County of Henderson, Kentucky to Community United Methodist Hospital, Inc. ("the Hospital") by promissory notes dated December 30, 2009 and February 16, 2010. These promissory notes were executed pursuant to loan agreements dated December 1, 2009 and January 1, 2010, respectively, between the lender and the Hospital. The proceeds of these issues were used by the Hospital to currently refund the outstanding principal balance of the County of Henderson, Kentucky Health Facilities Revenue Bonds, Series 2003 B and to pay for costs of issuance.

COMMUNITY UNITED METHODIST HOSPITAL, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

6. Debt and Obligations Under Capital Leases

A. Long-Term Debt, Continued

Under these agreements, the lender has agreed to loan to the Hospital the principal proceeds received from the sale of Health Facilities Refunding Revenue Bonds, Series 2009 B, and Health Facilities Revenue Bonds, Series 2010 A dated as of December 30, 2009 and January 1, 2010, respectively, to assist the borrower in the refunding of all outstanding Series 2003 B Revenue Bonds and in the financing of costs of the Project (as defined in the Agreement). The Hospital has agreed to repay such loans by making payments at the times and in the amounts set forth in the Note. The bonds are secured by, the Master Trust Indenture (the "Indenture"), dated as of December 1, 2009, between the lender and The Bank of New York Mellon Trust, Louisville, Kentucky, as trustee (the "Trustee"). The notes shall bear interest from their respective dates at a variable rate (adjusted weekly), payable on the 1st day of each month, commencing March 1, 2010. The Bonds shall mature on December 1 in the years and in the respective principal amounts set forth in the loan agreements.

A summary of long-term debt obligations at June 30, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Note payable to Henderson County, Kentucky, Series 2009A, bears interest at 5.75%, due in monthly installments of \$131,744. Final scheduled maturity on January 1, 2020. (1)	\$ 10,690,360	\$ 11,551,129
Note payable to Henderson County, Kentucky, Series 2009B, variable interest due monthly, principal amounts ranging from \$62,000 to \$137,000 due annually. Final schedule maturity December 1, 2025. (1)	16,971,000	17,686,000
Note payable to Henderson County, Kentucky, Series 2010A, variable interest due monthly, principal amounts ranging from \$49,000 to \$108,000 due annually. Final schedule maturity December 1, 2025. (1)	13,369,000	13,932,000
Note payable to Henderson County, bears interest at 4.95%, due in monthly installments of \$104,417. Final scheduled maturity is June 8, 2014.	3,486,563	4,538,564

Continued

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Notes to Consolidated Financial Statements
June 30, 2011 and 2010

6. Debt and Obligations Under Capital Leases, Continued

A. Long-Term Debt, Continued

	<u>2011</u>	<u>2010</u>
Note payable to Union County, bears interest at 4.99%, due in monthly installments of \$105,653. Final scheduled maturity is June 28, 2012.	<u>1,234,225</u>	<u>2,408,495</u>
	45,751,148	50,116,188
Current Portion	<u>(4,793,606)</u>	<u>(4,564,556)</u>
Long-term debt	<u>\$ 40,957,542</u>	<u>\$ 45,551,632</u>

(1)The loan agreements with Henderson County also require the Hospital to comply with certain restrictive covenants. The notes are secured by a first security interest in all of the Hospital's gross receipts, all patient accounts, deposit accounts, investments, equipment and inventory.

Scheduled principal maturities on long-term debt for years ending June 30 are as follows:

<u>Year ending June 30,</u>	<u>Amounts</u>
2012	\$ 4,793,606
2013	3,748,925
2014	3,947,761
2015	2,876,408
2016	3,032,981
2017-2021	15,502,467
2021-2026	<u>11,849,000</u>
	<u>\$ 45,751,148</u>

B. Notes Payable

Short-term notes payable consist of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Equipment note	<u>\$ -</u>	<u>\$ 23,775</u>

Notes payable on equipment bear no interest and are secured by the equipment.

C. Obligations Under Capital Leases

The Hospital leases various medical equipment under capital lease agreements. The related assets and liabilities under the agreements are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The recorded cost of assets is being amortized over the term of the leases.

Continued

6. Debt and Obligations Under Capital Leases, Continued

C. Obligations Under Capital Leases, Continued

Scheduled payments under capital lease obligations for years ending June 30 are as follows:

<u>Year ending June 30,</u>	<u>Amounts</u>
2012	\$ 69,885
2013	20,794
Total minimum lease payments	90,679
Less: Amount representing interest	(695)
Present value of minimum lease payments	<u>\$ 89,984</u>

The rate of interest on the above leases is imputed at varying rates from 0.0% to 7.551%.

Presented as follows on the balance sheet:

	<u>2011</u>	<u>2010</u>
Current portion-obligation under capital lease	\$ 69,267	\$ 36,293
Long-term portion-obligation under capital lease	20,717	17,110
	<u>\$ 89,984</u>	<u>\$ 53,403</u>

7. Employee Benefits

A. Defined Benefit Pension Plan

The Hospital has a defined benefit pension plan covering substantially all of its employees hired before October 1, 2009. The plan benefits are based on years of service and the employee's compensation. Contributions are intended to provide not only for benefits attributed for service to date but also for those expected to be earned in the future.

Obligations and Funded Status:

The following table sets forth the Plan's funded status and amounts recognized in the Hospital's financial statements at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Benefit obligation at June 30	\$ 51,571,629	\$ 54,425,603
Fair value of plan assets	41,292,374	35,601,965
Funded status	<u>\$ (10,279,255)</u>	<u>\$ (18,823,638)</u>

Amounts recognized in the balance sheet consist of:

Current liabilities	\$ -	\$ -
Noncurrent liabilities	(10,279,255)	(18,823,638)
Total	<u>\$ (10,279,255)</u>	<u>\$ (18,823,638)</u>

7. Employee Benefits, Continued

A. Defined Benefit Pension Plan, Continued

	2011	2010
Amounts recognized in the statement of operations consist of:		
Net loss (gain)	\$ 9,238,368	\$ 18,434,255
Prior service cost (credit)	617,364	817,886
Total	<u>\$ 9,855,732</u>	<u>\$ 19,252,141</u>

The accumulated benefit obligation was \$41,986,017 and \$42,986,017 at June 30, 2011 and 2010, respectively.

	2011	2010
Net periodic benefit cost	\$ 3,352,034	\$ 4,327,839
Employer contributions	2,500,008	3,933,336
Plan participants' contributions	-	-
Benefits paid	4,058,322	6,280,281

Components of Net Periodic Benefit Cost:

Service cost	\$ 1,797,307	\$ 2,048,870
Interest cost	3,189,709	3,416,427
Expected return on plan assets	(2,834,865)	(2,646,543)
Amortization of prior service cost	200,522	200,522
Amortization of net (gain) loss	999,361	1,308,563
Net periodic benefit cost	<u>\$ 3,352,034</u>	<u>\$ 4,327,839</u>

The estimated net loss (gain) and prior service cost (credit) for the defined benefit pension plan that will be amortized into net periodic benefit cost over the next fiscal year are \$313,939 and \$200,522, respectively.

	2011	2010
Reconciliation of Prepaid (Accrued) Benefit Cost:		
Funded status	\$ (10,279,255)	\$ (18,823,638)
Unrecognized net actuarial loss (gain)	9,238,368	18,434,255
Unrecognized prior service cost (benefit)	617,364	817,886
Prepaid (accrued) benefit cost	<u>\$ (423,523)</u>	<u>\$ 428,503</u>

7. Employee Benefits, Continued

A. Defined Benefit Pension Plan, Continued

Assumptions:

Weighted-average assumptions used to determine net periodic benefit cost and benefit obligations for the years ended June 30 were as follows:

	<u>2011</u>	<u>2010</u>
Benefit Obligations:		
Discount rate	6.25%	6.00%
Average rates of compensation increase	3.50%	3.50%
Net Periodic Benefit Cost:		
Discount rate	6.00%	6.25%
Average rates of compensation increase	3.50%	4.00%
Expected long-term return on plan assets	8.00%	8.00%

Contributions:

The amount of employer's contribution expected to be paid during the year ended June 30, 2012 is \$2,765,538.

Plan Assets:

FASB ASC 820 (formerly Statement No. 157, *Fair Value Measurements and Disclosures*), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

7. Employee Benefits, Continued

A. Defined Benefit Pension Plan, Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2011 and 2010:

Assets at Fair Value as of June 30, 2011					
	Level 1	Level 2	Level 3	Total	%
U.S. Government and agency obligations	\$ 3,222,622	\$ -	\$ -	\$ 3,222,622	7.8%
Municipal bonds and debentures	5,585,357	-	-	5,585,357	13.5%
Corporate bonds and debentures	4,761,357	-	-	4,761,357	11.5%
Common stocks	16,694,873	-	-	16,694,873	40.4%
Preferred stocks	687,132	-	-	687,132	1.7%
Mutual funds	9,317,086	-	-	9,317,086	22.6%
Certificates of deposit	287,414	-	-	287,414	0.7%
Cash and cash equivalents	736,533	-	-	736,533	1.8%
Total assets at fair value	<u>\$ 41,292,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,292,374</u>	<u>100.0%</u>

Assets at Fair Value as of June 30, 2010					
	Level 1	Level 2	Level 3	Total	%
U.S. Government and agency obligations	\$ 3,811,631	\$ -	\$ -	\$ 3,811,631	10.7%
Municipal bonds and debentures	4,411,165	-	-	4,411,165	12.4%
Corporate bonds and debentures	5,708,617	-	-	5,708,617	16.0%
Common stocks	13,310,884	-	-	13,310,884	37.4%
Preferred stocks	580,652	-	-	580,652	1.6%
Mutual funds	7,616,706	-	-	7,616,706	21.4%
Cash and cash equivalents	162,310	-	-	162,310	0.5%
Total assets at fair value	<u>\$ 35,601,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,601,965</u>	<u>100.0%</u>

7. Employee Benefits, Continued

A. Defined Benefit Pension Plan, Continued

The primary objective for all investment assets shall be preservation of principal with emphasis on long-term growth without undue exposure to risk. The Hospital coordinates with investment managers and provides direction to allow for assets to be within a range of targeted percentages (60% equity securities, 40% debt securities). To reduce risk, a diverse portfolio of investments is used for each asset classifications. In addition, to mitigate volatility, multiple managers are used.

Plan assets include no Hospital securities at June 30, 2011 and 2010, respectively.

Estimated Future Benefit Payments:

As of June 30, 2011, the amount of benefits expected to be paid, based on the same assumptions used to measure the benefit obligation (including, when applicable, benefits attributable to estimated future services) were as follows:

<u>Year ending June 30,</u>	<u>Amounts</u>
2012	\$ 2,133,828
2013	2,376,728
2014	1,913,964
2015	2,310,541
2016	3,250,136
2017-2021	18,610,349

B. Defined Contribution Pension Plan

The Hospital has various defined contribution pension plans covering substantially all of its employees. Total expenses for these defined contribution pension plans for the years ended June 30, 2011 and 2010 were \$739,423 and \$869,895, respectively.

8. Commitments and Contingencies

A. Litigation

The Hospital is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results from operations.

B. Letter of Credit

The Hospital has signed an unsecured letter of credit in the amount of \$2,016,821 with Old National Bank. The letter of credit satisfies the state certification requirement as an individual self-insured company with the Commonwealth of Kentucky. At June 30, 2011 and 2010, the balance was zero, respectively.

8. Commitments and Contingencies, Continued

C. Operating Leases

The Hospital leases various buildings and equipment under operating leases expiring at various dates through 2015. Total rental expense for the years ended June 30, 2011 and 2010 was approximately \$1,751,454 and \$1,680,442, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of June 30, 2011, that have an initial or remaining lease term in excess of one year.

Year ending June 30,	Amount to be Paid
2012	\$ 867,990
2013	477,023
2014	288,788
2015	101,045
Total minimum future rental payments	<u>\$ 1,734,846</u>

9. Related Party Transactions

Henderson Regional Hospital Foundation, Inc. and Union County Methodist Hospital Foundation, Inc. were established to solicit contributions from the general public solely for the funding of capital acquisitions by the Hospital. Funds are distributed to the Hospital as determined by the Foundations' Board of Directors. The Hospital's interest in the net assets of the Foundations is reported as a non-current asset on the balance sheet. A summary of the Foundations' assets, liabilities, net assets, results of operations, and changes in net assets at June 30, 2011 and 2010 follows:

	2011	2010
Assets, primarily cash and investments	<u>\$ 923,566</u>	<u>\$ 791,688</u>
Liabilities	14,592	11,275
Net assets	<u>908,974</u>	<u>780,413</u>
Total liabilities and net assets	<u>\$ 923,566</u>	<u>\$ 791,688</u>
Revenues, gains, and other support	<u>\$ 260,562</u>	<u>\$ 300,653</u>
Expenses:		
Distributions to Hospital	93,691	830,856
Other	38,310	57,025
Total Expenses	<u>132,001</u>	<u>887,881</u>
Excess(deficiency) of revenues, gains and other support over expenses	128,561	(587,228)
Net assets, beginning of year	<u>780,413</u>	<u>1,367,641</u>
Net assets, end of year	<u>\$ 908,974</u>	<u>\$ 780,413</u>

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Notes to Consolidated Financial Statements
June 30, 2011 and 2010

9. Related Party Transactions, Continued

The following entities are owned or controlled by members of the Board of Directors or their immediate families and transacted business with the Hospital during the fiscal year ended June 30, 2011 as follows:

Related Party	Type of Transaction	Transactions during the year ended June 30, 2011
Home Oil & Gas	Gas and oil purchases	\$ 21,425
Ohio Valley Financial Group	Trust fees (pension & thrift)	143,580
Royal Crown Bottling Corporation	Beverage purchases	78,827
Sitex Corporation	Uniform and cleaning services	51,149
Bruce Woodring Auto Sales & Leasing	Vehicle purchase	14,940
Dempewolf Ford	Auto Repair	8,963
Henderson Chamber of Commerce	Memberships and gift cards	29,850
Affiliated Entity		
Western Kentucky Hospital Services	Linen and storage services	429,027
	Contributed capital	115,866

In the ordinary course of business the Hospital maintains various bank and investment accounts with financial institutions whose officers are members of the Hospital Board of Directors. These institutions include Ohio Valley Financial Group, Independence Bank, Bank of Henderson, and United Community Bank of West Kentucky, Inc.

10. Other Non-Current Assets

Other non-current assets consisted of the following as of June 30, 2011 and 2010:

	2011	2010
Goodwill	\$ 326,139	\$ 338,672
Deferred debt issuance costs	277,502	297,644
Other assets	315,343	199,477
	<u>\$ 918,984</u>	<u>\$ 835,793</u>

11. Concentrations of Credit Risks

The Hospital operates an acute care hospital located in Henderson and a critical access hospital in Morganfield, Kentucky. The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2011 and 2010, was as follows:

Receivables at June 30	2011	2010
Medicare	31.8%	23.4%
Medicaid	8.0%	9.6%
Other third-party payors (none over 10%)	20.6%	16.2%
Private pay	39.6%	50.8%
	<u>100.0%</u>	<u>100.0%</u>

12. Fair Value of Financial Instruments

The following methods and assumptions were used by the Hospital in estimating the fair value of its financial instruments:

Cash and cash equivalents: The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value.

Investments: Fair values, which are the amounts reported in the balance sheet, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

Assets limited as to use: These assets consist primarily of cash and short-term investments and interest receivable. The fair value of these items was estimated using quoted market prices, for similar securities. The carrying amount reported in the balance sheet is fair value.

Derivative asset/liability: The carrying amount of the Hospital's derivative asset/ liability (which is used for hedging purposes) as reported in the balance sheet approximates its fair value and is based on the issuing financial institutions valuation.

Accounts payable, accrued expenses, deferred revenue and gains, estimated malpractice costs and self-insurance liability: The carrying amount reported in the balance sheet for accounts payable, accrued expenses, deferred revenue and gains, estimated malpractice costs and self-insurance liability approximates its fair value.

Estimated third-party payor settlements: The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates its fair value.

Long-term debt: The carrying amount of the Hospital's long-term debt as reported in the financial statements approximates its fair value.

The carrying amounts and fair values of the Hospital's financial instruments at June 30, 2011 and 2010 are as follows:

	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 18,856,282	\$ 18,856,282	\$ 16,671,199	\$ 16,671,199
Investments	10,333,124	10,333,124	10,270,392	10,270,392
Assets limited as to use	4,689,536	4,689,536	4,656,948	4,656,948
Third party payor settlements	-	-	605,039	605,039
Accounts payable, accrued expenses, deferred revenue and gains, estimated malpractice costs and self-insurance liability	28,471,010	28,471,010	36,059,061	36,059,061
Derivative liability	2,839,970	2,839,970	3,211,198	3,211,198
Payable for estimated third party payor settlements	3,971,463	3,971,463	2,994,287	2,994,287
Long-term debt and capital lease obligations	45,841,132	45,841,132	50,169,591	50,169,591

Continued

12. Fair Value of Financial Instruments, Continued

FASB ASC 820 (formerly Statement No. 157, *Fair Value Measurements and Disclosures*), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Hospital's assets and liabilities valued at fair value as of June 30, 2011 and 2010:

Assets (Liabilities) at Fair Value as of June 30, 2011				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 18,856,282	\$ -	\$ -	\$ 18,856,282
Investments	10,333,124	-	-	10,333,124
Assets limited as to use	4,689,536	-	-	4,689,536
Derivative liability	-	(2,839,970)	-	(2,839,970)
Total assets at fair value	<u>\$ 33,878,942</u>	<u>\$ (2,839,970)</u>	<u>\$ -</u>	<u>\$ 31,038,972</u>

12. Fair Value of Financial Instruments, Continued

Assets (Liabilities) at Fair Value as of June 30, 2010				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 16,671,199	\$ -	\$ -	\$ 16,671,199
Investments	10,270,392	-	-	10,270,392
Assets limited as to use	4,656,948	-	-	4,656,948
Derivative liability	-	(3,211,198)	-	(3,211,198)
Total assets at fair value	\$ 31,598,539	\$ (3,211,198)	\$ -	\$ 28,387,341

13. Physician Receivables

The Hospital has contracted with various physicians and physician groups to advance funds for office renovations, assistance with malpractice insurance premiums, education loan payoffs, and income guarantee agreements. The Hospital provides income guarantee agreements to certain physicians who agree to relocate to the community to fill a need in the Hospital's service area and commit to remain in practice there. Under such agreements the Hospital is required to make payments to the physicians in excess of the amounts they earn in their practice up to the amount of the income guarantee. The income guarantee periods are typically two years. Such payments are recoverable from the physicians if they do not fulfill their commitment period to the community, which is typically three years. At June 30, 2011, the maximum potential amount of future payments under these agreements was approximately \$125,000.

Management estimates these advances (net of estimated uncollectibles of \$0 and \$63,723 at June 30, 2011 and 2010, respectively) will be fully recovered in future periods.

The activity during the years ended June 30, 2011 and 2010 was as follows:

	2011	2010
Balance, July 1	\$ 3,499,827	\$ 2,516,588
Increases:		
Advances	271,887	1,362,642
Interest accrued	37,946	51,518
Decreases:		
Collections	(39,071)	(76,552)
Reduction due to satisfaction of contract provisions	(767,085)	(354,369)
Balance, June 30	\$ 3,003,504	\$ 3,499,827

These balances are included in "other receivables" and "other long-term receivables" on the balance sheet. Long-term portions were approximately \$2.2 million and \$1.7 million at June 30, 2011 and 2010, respectively.

COMMUNITY UNITED METHODIST HOSPITAL, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

14. Charity Care

The amount of charges foregone for services and supplies under the Hospital's charity care policy aggregated approximately \$6,754,052 and \$6,680,802 in the years ended June 30, 2011 and 2010, respectively.

15. Advertising Costs

Advertising costs are charged to expense as incurred. Advertising expenses for the year ended June 30, 2011 and 2010 were \$749,612 and \$735,645, respectively.

16. Facility Renovation and Expansion

On August 17, 2000 the Hospital Board of Directors gave its approval to proceed with various capital projects related to the Hospital's Master Plan, including renovation of the existing facility as well as new construction and related equipment.

Implementation of the Master Plan continues with work being done on the ground floor of the South Tower for a new Pharmacy department. Additionally, installation of plumbing connections will be completed for a future Prep-Recovery area.

The Board of Directors approved and work was completed on additional projects including the relocation of the Patient Representation department to a newly designed area of the main hospital lobby while creating a new Patient Ambassador Program. In conjunction with this program, a coffee shop was created in the main lobby area.

Work began to replace the H/VAC system in the main hospital building and create a back-up hot water system for the North Tower. This will be completed in fiscal year 2012.

17. Derivative

The Hospital entered into a "cash flow hedge interest rate swap" agreement with a notional amount of \$40,000,000 during the fiscal year ended June 30, 2006 with a financial institution. On February 16, 2010, the swap was amended to correspond with the Hospital's debt restructuring. The amended swap agreement was effective February 16, 2010, contains an outstanding notional value as of June 30, 2011 in the amount of \$30,340,000 and matures July 1, 2015. Based on the amended agreement the Hospital pays a monthly fixed interest rate of 3.475% and the financial institution pays a variable rate based on the variable rate index of "LIBOR" multiplied by 65% over the term of the agreement.

The Hospital entered into a cancellation agreement effective February 16, 2010 with the financial institution in order to cancel the Hospital's obligations under the original agreement and transition it's obligations to the amended swap agreement effective February 16, 2010. The Hospital incurred an early termination cost of \$183,835 which was paid on February 19, 2010. The remainder of the early termination cost was blended into the new amended swap agreement.

COMMUNITY UNITED METHODIST HOSPITAL, INC.

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

17. Derivative, Continued

The Hospital's objective is to provide protection against market driven increases in variable interest rates. The fair value of the agreement was determined by the financial institution using the present value of the estimated projected cash flows. The Hospital is in a liability position as of June 30, 2011 and 2010 due to the present value of its estimated projected cash flows being more than the financial institution's present value of estimated projected cash flows. The derivative liability for the Hospital amounted to \$2,839,970 as of June 30, 2011 and \$3,211,198 as of June 30, 2010.

The total unrealized derivative gain (loss) recognized on the financial statements were \$371,228 and (\$900,268) for the years ended June 30, 2011 and 2010, respectively. Upon termination of the agreement by the Hospital, prior to maturity, the gain or loss determined by the derivative fair value on that date would be realized.

18. Self-Insurance

The Hospital's Board of Director's elected to self-insure its professional liability and general liability as of November 1, 2003. Each Hospital (Methodist and Union County) is allocated and accrues its proportionate share of these liabilities.

For professional liability, the Hospital had \$1,000,000/\$3,000,000 aggregate self-insurance retention in 2011 and 2010. To pay claims in excess of the self-insured retention, the Hospital purchased an excess professional liability policy (claims-made basis). Losses from asserted claims and from unasserted claims identified under the Hospital's incident reporting system are accrued based on estimates that incorporate the Hospital's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors and incidents that may have occurred but have not been identified under the incident reporting system. As of June 30, 2011 and 2010, the Hospital had accrued approximately \$4,672,701 and \$4,601,421, respectively, which in the opinion of management, based on historical experience and current actuarial analysis, is sufficient to cover reported claims and claims incurred but not reported. The accrued professional liability has been discounted at a rate of 3.5 percent in 2011 and 2010.

19. Extraordinary Loss

In December 2009 and January 2010, the Hospital refunded the note payable to the County of Henderson, Kentucky related to the outstanding bonds of the Health Facilities Revenue Bonds, Series 2003B in the amount of \$34,510,000 by entering into notes payable to the County of Henderson, Kentucky related to the Hospital Facilities Refunding Revenue Bonds, Series 2009B and Hospital Facilities Refunding Revenue Bonds, Series 2010. As a result of this transaction, an extraordinary loss totaling \$244,232 was incurred on the early extinguishment of debt.

20. Subsequent Events

The date to which events occurring after June 30, 2011, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is October 20, 2011, which is the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Schedule of Patient Service Revenue
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Daily patient services:</u>		
Medical and surgical	\$ 12,740,207	\$ 10,302,419
Pediatrics	714,324	775,214
Rehabilitation center	-	872,222
Obstetrics	3,204,698	3,230,933
Nursery	988,495	799,641
NICU	1,124,645	1,040,810
Intensive care	3,012,789	2,314,690
Telemetry	4,588,106	4,136,052
	<u>26,373,264</u>	<u>23,471,981</u>
<u>Special professional services - Inpatients:</u>		
Operating rooms	8,851,894	7,901,248
Endoscopy	1,154,086	1,328,240
Recovery rooms	1,092,078	1,241,941
Emergency services	4,187,557	3,365,258
Sterile processing	2,673,541	2,294,131
Laboratories	16,981,833	14,121,294
Neurology	3,589,066	3,378,219
Radiology	5,486,123	4,872,194
MRI services	1,698,043	1,387,581
CT scans	6,789,263	5,836,071
Cardiac catheterization	881,861	1,492,609
Pharmacy	23,880,639	21,260,370
Intravenous solutions	4,352,620	3,981,713
Anesthesiology	2,245,157	2,026,772
Therapy services	2,425,879	1,843,163
Respiratory therapy	9,294,977	7,483,517
Other	125,662	141,139
	<u>95,710,279</u>	<u>83,955,460</u>
<u>Special professional services - Outpatients:</u>		
Medical and surgical	5,802,317	4,914,025
Pediatrics	510,078	686,880
Obstetrics	1,604,693	1,824,276
Nursery	2,324	2,704
Intensive care	413,546	340,410
Telemetry	1,154,965	1,089,423
Operating rooms	18,576,457	18,242,682

Continued

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Schedule of Patient Service Revenue
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Special professional services - Outpatients, Continued:</u>		
Endoscopy	\$ 4,065,147	\$ 3,476,895
Recovery rooms	6,437,988	6,875,251
Emergency services	23,644,436	22,314,408
Sterile processing	2,178,445	2,036,172
Laboratories	26,991,789	25,610,200
Neurology	6,648,206	7,844,677
Radiology	19,321,266	18,661,102
MRI services	8,341,507	8,466,656
CT scans	22,579,113	22,820,338
Cardiac catheterization	1,126,261	1,451,156
Lithotripsy	612,934	545,358
Pharmacy	19,498,311	18,562,814
Intravenous solutions	3,953,383	3,944,959
Anesthesiology	4,500,285	4,187,695
Therapy services	4,170,332	3,768,700
Respiratory therapy	1,809,803	2,395,377
Home Medical Equipment	2,340,966	2,198,870
Webster County Family Medicine	390,904	391,532
Sebree Methodist Family Medicine	370,471	360,931
Methodist Women's Services	2,402,717	2,900,495
Methodist Family Practice	2,970,962	3,052,501
Methodist Orthopedic Services	3,416,449	3,830,427
Methodist Pediatrics	-	229,882
Methodist Family Medicine Clinics:		
East	138,259	124,217
Imperial Building	1,174,936	993,277
Sturgis	1,335,353	1,259,056
Elm	480,057	424,766
8th Street Suite #1	511,774	451,099
Barrett Blvd	717,664	502,499
Methodist Hematology/Oncology	392,210	-
Methodist Surgical Services	1,139,384	-
Methodist Comprehensive Care	728,079	-
Methodist Gastroenterology	627,772	-
Other	916,917	996,777
	<u>203,998,460</u>	<u>197,778,487</u>
Gross patient service revenue	326,082,003	305,205,928
Deductions from gross revenue	<u>180,939,953</u>	<u>163,665,348</u>
Net patient service revenue	<u>\$ 145,142,050</u>	<u>\$ 141,540,580</u>

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Schedule of Operating Expenses
Years Ended June 30, 2011 and 2010

	2011			2010		
	Personnel Services	Supplies & Other	Total	Personnel Services	Supplies & Other	Total
<u>Nursing services:</u>						
Administrative	\$ 917,629	\$ 80,945	\$ 998,574	\$ 747,641	\$ 45,689	\$ 793,330
Education	560,943	106,262	667,205	540,416	73,052	613,468
Medical and surgical	5,093,317	471,974	5,565,291	4,870,527	388,037	5,258,564
Pediatrics	521,999	36,561	558,560	586,395	35,540	621,935
Rehabilitation center	-	-	-	586,211	66,254	652,465
Obstetrics	1,504,543	139,181	1,643,724	1,655,400	153,062	1,808,462
Nursery	698,229	59,569	757,798	707,689	62,655	770,344
NICU	649,937	88,456	738,393	628,251	89,455	717,706
Intensive care	1,241,060	108,560	1,349,620	1,187,404	91,949	1,279,353
Telemetry	1,905,004	147,885	2,052,889	1,947,586	159,207	2,106,793
Operating rooms	1,788,233	3,515,426	5,303,659	1,836,299	3,668,676	5,504,975
Endoscopy	360,757	293,781	654,538	286,230	280,266	566,496
Recovery rooms	603,467	30,614	634,081	675,091	44,981	720,072
Emergency services	3,031,078	1,459,044	4,490,122	3,054,010	1,430,527	4,484,537
Sterile processing	410,406	877,562	1,287,968	424,139	880,505	1,304,644
	19,286,602	7,415,820	26,702,422	19,733,289	7,469,855	27,203,144
<u>Other professional services:</u>						
Intavenous solutions	-	405,010	405,010	-	414,514	414,514
Laboratories	1,984,580	2,839,212	4,823,792	1,984,841	2,683,777	4,668,618
Neurology	396,613	625,812	1,022,425	405,537	586,521	992,058
Radiology	1,842,849	1,441,363	3,284,212	1,966,286	1,537,250	3,503,536
MRI services	150,460	431,410	581,870	126,005	438,801	564,806
CT scans	134,779	629,402	764,181	153,835	610,827	764,662
Cardiac catheterization	240,368	300,768	541,136	236,753	367,287	604,040
Pharmacy	1,381,474	5,342,918	6,724,392	1,363,568	4,562,070	5,925,638
Anesthesiology	-	3,251,823	3,251,823	-	3,237,210	3,237,210
Therapy services	1,522,532	207,760	1,730,292	1,406,192	195,400	1,601,592
Respiratory therapy	1,204,630	365,664	1,570,294	1,223,539	289,228	1,512,767
Home Medical Equipment	402,466	585,124	987,590	425,265	498,415	923,680
Webster Co Family Medicine	255,738	157,106	412,844	265,127	151,531	416,658
Sebree Methodist Family Medicine	241,908	134,741	376,649	232,861	123,526	356,387
Methodist Women's Services	1,193,565	647,499	1,841,064	1,134,590	711,236	1,845,826
Methodist Family Practice	1,222,310	877,401	2,099,711	1,019,648	740,673	1,760,321
Methodist Orthopedic Services	2,030,655	549,178	2,579,833	2,140,019	573,405	2,713,424
Methodist Pediatrics	-	-	-	206,368	147,469	353,837
Methodist Family Medicine Clinics:						
East	265,721	109,987	375,708	264,181	95,258	359,439
Imperial Building	691,600	348,511	1,040,111	675,052	329,400	1,004,452
Sturgis	547,297	268,096	815,393	534,656	249,301	783,957
Elm	373,386	202,448	575,834	369,901	185,618	555,519
8th Street Suite #1	407,728	179,847	587,575	281,204	162,676	443,880
Barrett Blvd	697,926	328,984	1,026,910	355,829	151,511	507,340

Continued

COMMUNITY UNITED METHODIST HOSPITAL, INC.
Schedule of Operating Expenses
Years Ended June 30, 2011 and 2010

	2011			2010		
	Personnel Services	Supplies & Other	Total	Personnel Services	Supplies & Other	Total
<u>Other professional services, Continued:</u>						
Methodist Hematology/Oncology	\$ 491,405	\$ 140,350	\$ 631,755	\$ -	\$ -	\$ -
Methodist Surgical Services	635,156	235,205	870,361	-	-	-
Methodist Comprehensive Care	455,192	203,452	658,644	-	-	-
Methodist Gastroenterology	185,189	78,836	264,025	-	-	-
Other	1,769,530	1,891,583	3,661,113	1,705,210	1,129,671	2,834,881
	20,725,057	22,779,490	43,504,547	18,476,467	20,172,575	38,649,042
<u>General services:</u>						
Dietary	1,091,831	810,546	1,902,377	1,292,460	785,223	2,077,683
Plant operations	1,273,847	1,963,918	3,237,765	1,286,272	1,952,187	3,238,459
Security	208,215	132,120	340,335	197,969	82,797	280,766
Housekeeping	1,223,449	329,459	1,552,908	1,239,855	294,166	1,534,021
Transportation	230,155	2,733	232,888	228,269	1,474	229,743
Laundry and linen	23,201	2,677	25,878	24,350	2,289	26,639
Auxiliary units	52,853	94,854	147,707	52,331	106,541	158,872
Materials management	372,372	40,640	413,012	390,475	79,682	470,157
Child care	344,633	72,095	416,728	351,442	76,113	427,555
	4,820,556	3,449,042	8,269,598	5,063,423	3,380,472	8,443,895
<u>Administrative and fiscal services:</u>						
Accounting	533,184	24,022	557,206	546,288	36,387	582,675
Legal services	212,239	305,099	517,338	229,724	450,089	679,813
Data processing	636,321	669,603	1,305,924	536,653	721,597	1,258,250
Fiscal services	1,499,412	1,656,156	3,155,568	1,515,311	1,046,047	2,561,358
Administrative office	1,758,298	2,592,918	4,351,216	1,717,126	2,409,390	4,126,516
Personnel	483,336	261,801	745,137	518,837	219,928	738,765
Patient utilization service	1,108,381	370,164	1,478,545	1,128,687	70,383	1,199,070
Medical records	1,104,113	461,164	1,565,277	1,184,264	508,422	1,692,686
Other	-	99,346	99,346	-	169,908	169,908
	\$ 7,335,284	\$ 6,440,273	\$ 13,775,557	\$ 7,376,890	\$ 5,632,151	\$ 13,009,041
<u>Non classified expenses:</u>						
Employee benefits			\$ 18,241,276			\$ 18,153,230
Depreciation and amortization			7,651,169			7,499,999
Interest expense			3,046,076			3,331,791
Provision for bad debts			22,316,640			21,390,964
Kentucky provider tax			2,279,568			2,285,346
Insurance			1,709,025			2,249,631
			55,243,754			54,910,961
Total operating expenses			\$ 147,495,878			\$ 142,216,083