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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

HOSPICE OF THE BLUEGRASS INC

Doing Business As

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

Room/suite

2312 Alexandria Drive

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

Lexington, KY 405043229

F Name and address of principal officer

GRETCHEN BROWN

2312 ALEXANDRIA DRIVE

LEXINGTON, KY 405043229

D Employer identification number

61-0978097

E Telephone number

(859) 276-5344

G Gross receipts \$ 73,707,520

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: WWW.HOSPICEBG.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation 1978

M State of legal domicile KY

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities OUR MISSION IS TO PROVIDE CARE TO TERMINALLY ILL PATIENTS, THE BEREAVED, AND THEIR FAMILIES AND TO EDUCATE PROFESSIONALS IN THE PHILOSOPHY OF HOSPICE AND PALLIATIVE CARE IN ORDER TO SUPPLY KNOWLEDGE TO THE COMMUNITY, PATIENTS AND FAMILIES		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	21
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	946
	6	Total number of volunteers (estimate if necessary)	6	997
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
Revenue	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,970,147	2,896,487
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	63,863,892	61,662,371
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	765,577	1,487,837
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	34,115	10,534
			66,633,731	66,057,229
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,145,608	506,164
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	35,825,681	37,409,714
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) 634,120		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	27,036,072	28,219,888
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	64,007,361	66,135,766
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12	2,626,370	-78,537
	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	87,099,483	83,308,072
	22	Net assets or fund balances Subtract line 21 from line 20	18,382,312	16,755,258
			68,717,171	66,552,814

Part II

Signature Block

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

Sign Here

Signature of officer

2012-09-15

Date

GRETCHEN BROWN CEO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Rachel Spurlock

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00520729

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

CROWE HORWATH LLP

9600 Brownsboro Road

Suite 400

Louisville, KY 402411122

EIN

Phone no (502) 326-3996

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

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

OUR MISSION IS TO PROVIDE THE HIGHEST QUALITY INTERDISCIPLINARY CARE TO ALL TERMINALLY ILL PATIENTS, THE BEREAVED, AND THEIR FAMILIES, CREATE A CLIMATE WHERE ALL STAFF CAN DO THEIR WORK, EDUCATE PROFESSIONALS IN THE PHILOSOPHY AND ART OF HOSPICE CARE SO THAT DYING PATIENTS, THEIR FAMILIES, AND HOSPICE WILL HAVE AN ADEQUATE SUPPLY OF KNOWLEDGEABLE PROFESSIONALS WHEREVER THEY ARE, (CONTINUED IN SCHEDULE O)

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

If "Yes," describe these changes on Schedule O














HOSPICE OF THE BLUEGRASS, INC IS AN ORGANIZATION DEVOTED TO CARING FOR THE PHYSICAL, PSYCHOSOCIAL, EMOTIONAL AND SPIRITUAL NEEDS OF TERMINALLY ILL INDIVIDUALS AND THEIR FAMILIES THE CARE PROVIDED INCLUDES COUNSELING, PALLIATIVE AND SUPPORTIVE CARE SUPPORT, EDUCATION, AND BEREAVEMENT SERVICES ARE PROVIDED TO THE COMMUNITY AS WELL HOSPICE PROVIDED 354,871 DAYS OF PATIENT CARE TO 4,774 PATIENTS IN 32 COUNTIES WITHIN KENTUCKY DANIEL'S CARE, A SPECIAL PEDIATRIC CARE SERVICE, SERVED 90 CHILDREN WITH LIFE-THREATENING ILLNESSES THE EDUCATION DIVISION OFFERED 121 PRESENTATIONS REACHING 9,863 PROFESSIONAL AND COMMUNITY MEMBERS BEREAVEMENT COUNSELORS PROVIDED 13,148 HOURS OF COUNSELING TIME DURING THE YEAR CHARITY CARE PROVIDED TO PATIENTS APPROXIMATED \$790,000 (CONTINUED IN SCHEDULE O)

EXTRA CARE, A DIVISION OF HOSPICE OF THE BLUEGRASS, PROVIDES SUPPLEMENTAL STAFFING TO HOSPICE OF THE BLUEGRASS OFFICES. IT ALSO PROVIDES HOMECARE ASSISTANCE AND PRIVATE DUTY NURSING CARE TO PRIMARILY NON-AMBULATORY AND/OR ELDERLY INDIVIDUALS. APPROXIMATELY 82,000 HOURS OF CARE WERE PROVIDED BY EXTRA CARE DURING THE YEAR.

[illegible]

4e	Total program service expenses	\$ 51,027,894
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Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	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		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 	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		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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		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		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	Yes	
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 	Yes	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	Yes	
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. 	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.		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.		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.		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	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. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII		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 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I 	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV		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		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 	Yes	
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 	Yes	
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements		

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	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		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or 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	Yes	
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	Yes	
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	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	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>	35b	Yes	
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 checked="" type="checkbox"/>						
		Yes	No			
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	229			
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	Yes			
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	946			
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 or securities 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	Yes			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes			
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				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8				
9	Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a				
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b				
10	Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b				
11	Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b				
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a				
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b				
13	Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a				
b	Enter the aggregate 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 aggregate 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	1a21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Did the organization have members or stockholders?	6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete 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 the Form 990			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did 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		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	17	17-KY
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 made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	18	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	19	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	20	CAROL RUGGLES CFO 2312 ALEXANDRIA DRIVE LEXINGTON, KY 405043229 (859) 276-5344

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

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

Form **990** (2011)

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 . . .	1a20,352				
	b	Membership dues	1b				
	c	Fundraising events	1c171,624				
	d	Related organizations	1d10,436				
	e	Government grants (contributions)	1e275,000				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f2,419,075				
	g	Noncash contributions included in lines 1a-1f \$ 115,244					
	h	Total. Add lines 1a-1f					
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	62161061,559,297	61,559,297			
	b	CONTRACT REVENUE	62130083,688	83,688			
	c	EDUCATIONAL PROGRAM REVENUE	61143019,386	19,386			
	d						
	e						
	f	All other program service revenue	0	0	0	0	
	g	Total. Add lines 2a-2f		61,662,371			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,191,994			1,191,994
	4	Income from investment of tax-exempt bond proceeds . .		0			
	5	Royalties		0			
	6a	(i) Real					
		(ii) Personal					
	b	Less rental expenses					
	c	Rental income or (loss) 0		0			
	d	Net rental income or (loss)		0			
	7a	(i) Securities					
		(ii) Other					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss) 85,376		210,467			
	d	Net gain or (loss)		295,843			295,843
	8a	Gross income from fundraising events (not including \$ 171,624 of contributions reported on line 1c) See Part IV, line 18		114,883			
	a						
	b	Less direct expenses					
	c	Net income or (loss) from fundraising events . .		-10,766			-10,766
	9a	Gross income from gaming activities See Part IV, line 19		15,021			
	a						
b	Less direct expenses						
c	Net income or (loss) from gaming activities . .		12,540			12,540	
10a	Gross sales of inventory, less returns and allowances						
a							
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . .		0				
Miscellaneous Revenue		Business Code					
11a	MANAGEMENT FEES		6,714	6,714			
b	MEAL SALES		1,659	1,659			
c	DOCUMENT REQUEST FEES		245	245			
d	All other revenue		142	142	0	0	
e	Total. Add lines 11a-11d		8,760				
12	Total revenue. See Instructions		66,057,229	61,671,131	0	1,489,611	

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)

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

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 United States See Part IV, line 21	506,164	506,164		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,467,062	651,562	738,525	76,975
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	29,088,932	22,565,385	6,204,816	318,731
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,220,899	944,168	263,714	13,017
9	Other employee benefits	3,535,932	2,598,572	904,039	33,321
10	Payroll taxes	2,096,889	1,593,251	476,483	27,155
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	98,821		98,821	
c	Accounting	50,008		50,008	
d	Lobbying	17,994		1,024	16,970
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	133,594		133,594	
g	Other	994,385	803,847	190,538	
12	Advertising and promotion	321,627		318,309	3,318
13	Office expenses	1,764,546	389,193	1,291,323	84,030
14	Information technology	1,532,793	1,162,710	350,910	19,173
15	Royalties	0			
16	Occupancy	1,669,818	1,024,118	645,700	
17	Travel	2,279,864	1,780,993	498,871	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	60,573		60,573	
20	Interest	190,274		190,274	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	1,409,919	1,095,740	297,903	16,276
23	Insurance	188,659		188,659	
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	MEDICAID ROOM AND BOARD	7,059,446	7,059,446		
b	PHARMACY AND CHEMOTHERAPY	3,898,786	3,898,786		
c	PATIENT CONTRACT SERVICES	2,549,952	2,549,952		
d	MEDICAL SUPPLIES	836,515	836,515		
e					
f	All other expenses	3,162,314	1,567,492	1,569,668	25,154
25	Total functional expenses. Add lines 1 through 24f	66,135,766	51,027,894	14,473,752	634,120
26	Joint costs. Check here <input 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	0			

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			77,692	1	32,726
	2	Savings and temporary cash investments			10,891,642	2	7,481,887
	3	Pledges and grants receivable, net			120,709	3	905,069
	4	Accounts receivable, net			8,298,055	4	8,227,546
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			598,412	8	572,199
	9	Prepaid expenses and deferred charges			588,127	9	647,216
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	35,782,837			
	b	Less accumulated depreciation	10b	9,066,860	26,015,631	10c	26,715,977
	11	Investments—publicly traded securities			36,472,148	11	35,353,391
	12	Investments—other securities See Part IV, line 11			2,286,781	12	2,321,039
	13	Investments—program-related See Part IV, line 11			0	13	0
	14	Intangible assets			440,175	14	440,175
	15	Other assets See Part IV, line 11			1,310,111	15	610,847
	16	Total assets. Add lines 1 through 15 (must equal line 34)			87,099,483	16	83,308,072
Liabilities	17	Accounts payable and accrued expenses			9,384,050	17	8,497,050
	18	Grants payable			412,037	18	353,188
	19	Deferred revenue			7,928	19	4,680
	20	Tax-exempt bond liabilities			7,580,461	20	6,897,558
	21	Escrow or custodial account liability Complete Part IV of Schedule D			676,581	21	614,784
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			321,255	25	387,998
	26	Total liabilities. Add lines 17 through 25			18,382,312	26	16,755,258
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			67,392,536	27	65,154,023
	28	Temporarily restricted net assets			294,642	28	393,061
	29	Permanently restricted net assets			1,029,993	29	1,005,730
	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			68,717,171	33	66,552,814
	34	Total liabilities and net assets/fund balances			87,099,483	34	83,308,072

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	66,057,229
2	Total expenses (must equal Part IX, column (A), line 25)	2	66,135,766
3	Revenue less expenses Subtract line 2 from line 1	3	-78,537
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	68,717,171
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-2,085,820
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	66,552,814

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 type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization HOSPICE OF THE BLUEGRASS INC	Employer identification number 61-0978097
--	--

Part I Reason for Public Charity Status

(All organizations must complete this part.) See instructions

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

- 1

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☒

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I 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	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						




Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2010 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2011. 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—2010. 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—2011. 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—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,025,680	2,234,659	2,898,750	1,960,098	2,896,487	12,015,674
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	54,665,420	60,601,476	60,967,495	63,863,892	61,662,371	301,760,654
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	56,691,100	62,836,135	63,866,245	65,823,990	64,558,858	313,776,328
7a Amounts included on lines 1, 2, and 3 received from disqualified persons				10,049	543,145	553,194
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						0
c Add lines 7a and 7b	0	0	0	10,049	543,145	553,194
8 Public Support (Subtract line 7c from line 6)						313,223,134

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	56,691,100	62,836,135	63,866,245	65,823,990	64,558,858	313,776,328
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,591,914	1,430,274	1,239,239	1,410,694	1,191,994	6,864,115
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	1,591,914	1,430,274	1,239,239	1,410,694	1,191,994	6,864,115
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	399,944	299,620	282,052	162,894	138,664	1,283,174
13 Total support (Add lines 9, 10c, 11 and 12)	58,682,958	64,566,029	65,387,536	67,397,578	65,889,516	321,923,617
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here	<input type="checkbox"/>					

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	97.300 %	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	97.100 %	

Section D. Computation of Investment Income Percentage			
17	Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	2 130 %
18	Investment income percentage from 2010 Schedule A, Part III, line 17	18	2 280 %
19a	33 1/3% support tests—2011. 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—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

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

Facts And Circumstances Test

Explanation
OTHER INCOME, SCHEDULE A, PART III, LINE 12, DESCRIPTION - OTHER INCOME, COLUMN A - 399944, COLUMN B - 299620, COLUMN C - 282052, COLUMN D - 162894, COLUMN E - 138664, COLUMN F - 1283174,,

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

2011

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, line 35c (Proxy Tax), then

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

Name of the organization HOSPICE OF THE BLUEGRASS INC	Employer identification number 61-0978097
--	--

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

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input 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 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- 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 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) 2008	(b) 2009	(c) 2010	(d) 2011	(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		17,994
	j Total lines 1c through 1i			17,994
	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?				

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

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

Part III-B

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) 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	
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
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	IN 2011, HOSPICE OF THE BLUEGRASS (HOB) PAID \$16,970 TO MML&K GOVERNMENT SOLUTIONS, A DIVISION OF MCBRAYER, MCGINNIS, LESLIE & KIRKLAND PLLC TO CONDUCT LOBBYING ACTIVITIES TO ASSIST HOB IN ITS EFFORTS TO IDENTIFY AND SECURE FEDERAL AND STATE FUNDING FOR THE HOSPICE FACILITY LOCATED IN HAZARD, KENTUCKY. ALSO IN 2011, HOB PAID DUES TO THE NATIONAL HOSPICE AND PALLIATIVE CARE ORGANIZATION, KENTUCKY HOME CARE ASSOCIATION AND KENTUCKY MEDICAL ASSOCIATION OF WHICH \$1,024 IS RELATED TO LOBBYING ACTIVITIES.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
Attach to Form 990. See separate instructions.

Name of the organization HOSPICE OF THE BLUEGRASS INC	Employer identification number 61-0978097
--	--

Part I

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

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

Part II

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

1

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

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

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ 8,500

(ii)

Assets included in Form 990, Part X

▶ \$ 51,500

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$

b

Assets included in Form 990, Part X

▶ \$

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☒ Other COMMUNITY BEREAVEMENT

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	1,046,452	873,382	728,814	987,252
b	Contributions	7,000	1,000	1,000	62,189
c	Investment earnings or losses	24,732	172,070	157,071	-320,515
d	Grants or scholarships		0	0	0
e	Other expenditures for facilities and programs		0	13,503	0
f	Administrative expenses		0	0	112
g	End of year balance	1,078,184	1,046,452	873,382	728,814

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 7 200 %

b

Permanent endowment ▶ 71 000 %

c

Term endowment ▶ 21 800 %

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

3a(i)

Yes

No

3a(ii)

No

b

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

3b

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,455,360		3,455,360
b Buildings		24,165,866	3,523,390	20,642,476
c Leasehold improvements		611,937	327,099	284,838
d Equipment		7,549,674	5,216,371	2,333,303
e Other				0
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				26,715,977

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	66,057,229
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	66,135,766
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-78,537
4	Net unrealized gains (losses) on investments	4	-2,047,680
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-38,140
9	Total adjustments (net) Add lines 4 - 8	9	-2,085,820
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-2,164,357

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	66,024,869
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	101,234
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	101,234
3	Subtract line 2e from line 1	3	65,923,635
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	133,594
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	133,594
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	66,057,229

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	66,103,406
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	101,234
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	101,234
3	Subtract line 2e from line 1	3	66,002,172
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	133,594
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	133,594
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	66,135,766

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
Collections of art - description of collections	Schedule D, Part III, Line 4	HOSPICE OWNS TWO MEMORIAL GARDEN SCULPTURES AND ONE FOYER SCULPTURE DESIGNED TO ENHANCE ITS COMMUNITY BEREAVEMENT PROGRAM. DONORS DESIGNATED SPECIFIC FUNDS FOR THE PURCHASE OF THE GARDEN SCULPTURES AND THE FOYER SCULPTURE WAS DONATED.
Explanation of escrow agreement	Schedule D, Part IV, Line 2b	THE ORGANIZATION HOLDS FUNDS FOR JESSAMINE COUNTY HOSPICE CHARITIES. THESE FUNDS ARE RECORDED AS BOTH AN ASSET AND A LIABILITY ON THE ORGANIZATION'S FINANCIAL STATEMENTS.
Intended uses of endowment funds	Schedule D, Part V, Line 4	FUNDS RECEIVED FROM ENDOWMENTS ARE USED TO SUPPORT PROGRAM SERVICES.
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	THE ORGANIZATION IS EXEMPT FROM INCOME TAXES ON INCOME FROM RELATED ACTIVITIES UNDER SECTION 501 (C)(3) OF THE U.S. INTERNAL REVENUE CODE AND CORRESPONDING STATE TAX LAW. ACCORDINGLY, NO PROVISION HAS BEEN MADE FOR FEDERAL AND STATE INCOME TAXES. A TAX POSITION IS RECOGNIZED AS A BENEFIT ONLY IF IT IS "MORE LIKELY THAN NOT" THAT THE TAX POSITION WOULD BE SUSTAINED IN A TAX EXAMINATION, WITH A TAX EXAMINATION BEING PRESUMED TO OCCUR. THE AMOUNT RECOGNIZED IS THE LARGEST AMOUNT OF TAX BENEFIT THAT IS GREATER THAN 50% LIKELY OF BEING REALIZED ON EXAMINATION FOR TAX POSITIONS NOT MEETING THE "MORE LIKELY THAN NOT" TEST. NO TAX BENEFIT IS RECORDED DUE TO ITS TAX-EXEMPT STATUS, THE ORGANIZATION IS NOT SUBJECT TO U.S. FEDERAL INCOME TAX OR STATE INCOME TAX. THE ORGANIZATION'S FORM 990 HAS NOT BEEN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE OR THE STATE OF KENTUCKY FOR THE LAST THREE YEARS. THE ORGANIZATION DOES NOT EXPECT THE TOTAL OF UNRECOGNIZED TAX BENEFITS TO SIGNIFICANTLY CHANGE IN THE NEXT 12 MONTHS. THE ORGANIZATION DID NOT HAVE ANY AMOUNTS ACCRUED OR RECOGNIZED FOR INTEREST AND PENALTIES AT DECEMBER 31, 2011 AND 2010.

1

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶ _____

3 Enter total number of other organizations or entities ▶ _____

Part III

[illegible]

Part IV Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☐ Yes ☒ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐ Yes ☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐ Yes ☒ No

Part V

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

[illegible]

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
HOSPICE OF THE BLUEGRASS INC

Employer identification number
61-0978097

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐ Mail solicitations

b

☐ Internet and e-mail solicitations

c

☐ Phone solicitations

d

☐ In-person solicitations

e

☐ Solicitation of non-government grants

f

☐ Solicitation of government grants

g

☐ Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total ▶						

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50083H Schedule G (Form 990 or 990-EZ) 2011

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
			NORTHERN KENTUCKY GALA	FRANKFORT GALA	10	(Add col (a) through col (c))
			(event type)	(event type)	(total number)	
	1	Gross receipts	62,675	46,242	177,590	286,507
	2	Less Charitable contributions	29,357	22,957	119,310	171,624
	3	Gross income (line 1 minus line 2)	33,318	23,285	58,280	114,883
Direct Expenses	4	Cash prizes				0
	5	Non-cash prizes				0
	6	Rent/facility costs			9,193	9,193
	7	Food and beverages	22,330	7,751	22,566	52,647
	8	Entertainment	3,000	300	9,325	12,625
	9	Other direct expenses	5,557	11,515	34,112	51,184
	10	Direct expense summary Add lines 4 through 9 in column (d)				(125,649)
	11	Net income summary Combine lines 3 and 10 in column (d)				-10,766

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue			(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
						(Add col (a) through col (c))
	1	Gross revenue			15,021	15,021
	2	Cash prizes			1,427	1,427
Direct Expenses	3	Non-cash prizes				0
	4	Rent/facility costs				0
	5	Other direct expenses			1,054	1,054
	6	Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes 85 % <input type="checkbox"/> No	
	7	Direct expense summary Add lines 2 through 5 in column (d)				(2,481)
	8	Net gaming income summary Combine lines 1 and 7 in column (d)				12,540

9 Enter the state(s) in which the organization operates gaming activities KY

a Is the organization licensed to operate gaming activities in each of these states? ☒ Yes ☐ No

b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☒ No

b If "Yes," Explain

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☒ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☒ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	0 %
b	An outside facility	13b	1 00 %

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ CAROL RUGGLES

Address ▶ 2312 ALEXANDRIA DRIVE
LEXINGTON, KY 405043329

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☒ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶ KIM LIVESAY

Gaming manager compensation ▶ \$ 750

Description of services provided ▶ KIM LIVESAY IS THE DIRECTOR OF ANNUAL GIVING AND PUBLIC RELATIONS

☐ Director/officer

☐ Employee

☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
------------	-----------------	-------------

**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

2011

Open to Public Inspection

Name of the organization
HOSPICE OF THE BLUEGRASS INC

Employer identification number
61-0978097

Part I General Information on Grants and Assistance

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

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

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

[illegible]

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table	1
3	Enter total number of other organizations listed in the line 1 table	0

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

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

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	PALLIATIVE CARE CENTER OF THE BLUEGRASS (PCC) IS A RELATED ORGANIZATION IN WHICH HOB PROVIDES SUPPORT FOR OPERATIONS ON A CONSOLIDATED BASIS, THESE ENTRIES ARE ELIMINATED HOWEVER, ON A STAND-ALONE BASIS TO PROVIDE TRANSPARENCY IN REPORTING, THE SUPPORT PROVIDED BY HOB IS REPORTED AS GRANT / ASSISTANCE TO PCC ON PCC'S FORM 990 THIS WILL BE REFLECTED AS A CONTRIBUTION FROM RELATED ORGANIZATIONS THE SUPPORT PROVIDED IS BASED ON INTERCOMPANY EXPENSES INCURRED BY PCC WHERE PCC DOES NOT HAVE THE CASH FLOW TO REIMBURSE HOB THE AMOUNT IS DETERMINED ANNUALLY BY THE HOB BOARD OF DIRECTORS AND THE PCC BOARD OF DIRECTORS BASED ON A REQUEST FROM PCC

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

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
HOSPICE OF THE BLUEGRASS INC

Employer identification number
61-0978097

Part I

Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) SALLI WHISMAN	(i)	183,462	4,627	616	9,625	20,092	218,422	0
	(ii)	2,567	65	9	135	281	3,057	0
(2) WENDY LATUNIK	(i)	159,437	1,430	162	1,823	7,058	169,910	0
	(ii)	0	0	0	0	0	0	0
(3) KIMBERLY BELL	(i)	143,054	0	130	0	5,089	148,273	0
	(ii)	5,311	0	5	0	189	5,505	0
(4) NANNETTE BERNALES	(i)	146,566	0	380	0	19,311	166,257	0
	(ii)	0	0	0	0	0	0	0
(5) CAROL RUGGLES	(i)	134,720	7,408	414	7,077	17,402	167,021	0
	(ii)	0	0	0	0	0	0	0
(6) TODD COTE	(i)	224,804	12,298	358	11,502	16,051	265,013	0
	(ii)	34,815	1,905	55	1,781	2,486	41,042	0
(7) GRETCHEN BROWN	(i)	248,626	13,318	54,230	12,596	9,321	338,091	0
	(ii)	0	0	0	0	0	0	0
(8) CHRISTOPHER LYON	(i)	146,637	3,699	160	7,556	12,285	170,337	0
	(ii)	17,828	450	19	919	1,494	20,710	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

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
Health or social club dues or initiation fees	Schedule J, Part I, Line 1a	THE ORGANIZATION PAYS CLUB DUES TO SPINDLETOP HALL, OPERATED BY THE UNIVERSITY OF KENTUCKY, WHICH REQUIRES INDIVIDUAL MEMBERSHIP AND DOES NOT PERMIT CORPORATE MEMBERSHIP, THEREFORE THE MEMBERSHIP IS WITH THE CEO, HOWEVER ALL INTERESTED PERSONS MAY UTILIZE THE MEMBERSHIP UPON CEO APPROVAL. DUES ARE MODEST AND THE AGENCY UTILIZES THE FACILITY FOR GROUP MEETINGS AND OCCASIONAL GUEST LUNCHEONS. THE BENEFIT WAS NOT TREATED AS TAXABLE COMPENSATION SPECIFICALLY TO THE INTERESTED PERSON AS THIS PERSON DOES NOT UTILIZE THE MEMBERSHIP FOR PERSONAL USE.
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	GRETCHEN BROWN PARTICIPATES IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN IN WHICH SHE IS 100% VESTED. \$32,278 WAS DEFERRED UNDER THE PLAN WITH RESPECT TO THE 2011 CALENDAR YEAR. IN ADDITION, THIS PLAN REPORTED \$3,736 IN INVESTMENT EARNINGS IN 2011.
Compensation contingent on net earnings of the organization	Schedule J, Part I, Line 6a	THE INCENTIVE COMPENSATION FOR ALL EMPLOYEES IS RESPONSIVE TO NET EARNINGS THRESHOLDS AND RESULTS IN PREDETERMINED PERCENTAGE PAYOUTS PER BOARD POLICY. THERE IS A DISCRETIONARY COMPONENT BASED ON ECONOMIC CONDITIONS AT THE TIME OF THE AWARD. ALL PAYOUTS MUST BE APPROVED BY THE BOARD OF DIRECTORS.

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

2011

Open to Public Inspection

Name of the organization
HOSPICE OF THE BLUEGRASS INC

Employer identification number
61-0978097

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 CITY OF HAZARD KENTUCKY	61-6001839		10-29-2009	8,750,000	SEE SCHEDULE O		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,852,442							
2	Amount of bonds defeased	0							
3	Total proceeds of issue	8,766,651							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrow	0							
7	Issuance costs from proceeds	110,802							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	8,655,849							
11	Other spent proceeds	0							
12	Other unspent proceeds	0							
13	Year of substantial completion	2011							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?				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						
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %							
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 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X							
b	Name of provider	BRANCH BANKING & TRUST CO							
c	Term of hedge	5 0							
d	Was the hedge superintegrated?	X							
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider	NA							
c	Term of GIC	0 0							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?	X							

Part VProcedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☒ Yes ☐ No

Part VISupplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF PURPOSE OF BOND	PART I, COLUMN (F)	THE PURPOSE OF THE BOND WAS TO FUND THE CONSTRUCTION OF A FREE-STANDING HOSPICE INPATIENT FACILITY AND AN ADMINISTRATIVE HOSPICE BUILDING IN HAZARD, KENTUCKY
TOTAL PROCEEDS OF ISSUE	PART I, COLUMN (E)	BOND ISSUE PRICE - \$8,750,000 INVESTMENT EARNINGS - \$16,535 TOTAL PROCEEDS OF ISSUE - \$8,766,535
ISSUANCE COST FROM PROCEEDS	PART II, LINE 7	PROCEEDS USED FOR BOND ISSUANCE COSTS (INCLUDING UNDERWRITERS' DISCOUNT) - \$110,802

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HOSPICE OF THE BLUEGRASS INC

Employer identification number

61-0978097

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
Total										

Part III

Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) PAT BYRNE PRINTING INC	PAT BYRNE PRINTING, INC IS OWNED BY PAT BYRNE, THE SPOUSE OF DEEDE BYRNE, CHIEF CLINICAL OFFICER	168,055	PAT BYRNE PRINTING, INC PRINTS VARIOUS PATIENT AND BUSINESS RELATED FORMS AND LITERATURE FOR HOSPICE OF THE BLUEGRASS THIS TRANSACTION WAS MADE AT ARM'S LENGTH		No
(2) MCBRAYER MCGINNIS LESLIE AND KIRKLAND PLLC	LISA HINKLE, BOARD MEMBER, HAS A 13 5% OWNERSHIP IN MCBRAYER, MCGINNIS, LESLIE AND KIRKLAND, PLLC	141,270	THE ORGANIZATION PAID LEGAL AND CONSULTING FEES TO THE FIRM THIS TRANSACTION WAS MADE AT ARM'S LENGTH		No

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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SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
HOSPICE OF THE BLUEGRASS INC

Employer identification number
61-0978097

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art	X	1	8,500	MARKET VALUE
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X		165	REPLACEMENT COST
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	7	39,618	MARKET VALUE
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (CEMETERY PLOTS)	X	2	7,190	MARKET VALUE
26 Other ► (DURABLE MEDICAL EQUIPMENT)	X	112	8,820	REPLACEMENT COST
27 Other ► (PATIENT AND FAMILY COMFORT ITEMS)	X	30	4,363	REPLACEMENT COST
28 Other ► (OFFICE SUPPLIES AND EQUIPMENT)	X	49	46,188	REPLACEMENT COST
Other ► (LANDSCAPING)	X	1	400	MARKET VALUE

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

1

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		No
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?		No
b If "Yes," describe in Part II		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part III

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Explanations of reporting method for number of contributions	Schedule M, Part I	ART - WORKS OF ART NUMBER OF CONTRIBUTIONS
Number of contributions or items contributed	Schedule M, part I, column (b), Line 1	NUMBER OF CONTRIBUTIONS
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=CEMETERY PLOTS	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=DURABLE MEDICAL EQUIPMENT	
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=PATIENT AND FAMILY COMFORT ITEMS	

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

2011

Open to Public
Inspection

Name of the organization HOSPICE OF THE BLUEGRASS INC	Employer identification number 61-0978097
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Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	CONTINUED FROM PART III BUILD A COMMUNITY THROUGH EDUCATION AND INFORMATION THAT CAN SUPPORT PATIENTS/FAMILIES AS EACH PERSON ENCOUNTERS ONE WHO NEEDS SUPPORT AND PROVIDE TO DONORS THE PRIVILEGE TO HELP OTHERS THROUGH THEIR GIFTS TO HOSPICE

Identifier	Return Reference	Explanation
PROGRAM SERVICE DESCRIPTION	FORM 990, PART III, LINE 4A	SIGNIFICANT ACTIVITIES INCLUDE CONSTRUCTION WHICH BEGAN IN 2009 ON AN OFFICE BUILDING AND A FREE-STANDING INPATIENT HOSPICE FACILITY IN HAZARD, KENTUCKY THE INPATIENT FACILITY HAS 12 PATIENT SUITES AND IS THE FIRST OF ITS KIND IN SOUTHEASTERN KENTUCKY THIS FACILITY OPENED IN MAY 2011 ALSO, WE HAVE PARTNERED WITH UNIVERSITY OF KENTUCKY (UK) HEALTHCARE TO CREATE A NEW END-OF-LIFE CARE PROGRAM FOR PATIENTS AT THE UK HOSPITAL PLEASE VISIT OUR WEBSITE AT WWW.HOSPICEBG.ORG FOR FURTHER INFORMATION ON SERVICES PROVIDED

Identifier	Return Reference	Explanation
EMPLOYEES REPORTED ON FORM W-3	FORM 990, PART V, LINE 2A	HOSPICE OF THE BLUEGRASS, INC (HOB) EIN 61-0978097 IS THE COMMON PAYING AGENT FOR PALLIATIVE CARE CENTER OF THE BLUEGRASS, INC (PCC), A RELATED ORGANIZATION THEREFORE, ALL APPLICABLE IRS TAX FILINGS ARE REPORTED BY HOB THE TOTAL NUMBER OF EMPLOYEES REPORTED ON FORM W-3 AND FILED BY THE COMMON PAYING AGENT, HOB, FOR 2011 WAS 960 FOR PURPOSES OF REPORTING THE NUMBER OF EMPLOYEES ON THE FORM 990, LINE 2A FOR HOB AND PCC, THERE WERE 946 AND 14 REPORTED FOR EACH RESPECTIVE ORGANIZATION

Identifier	Return Reference	Explanation
Delegate broad authority to a committee	Form 990, Part VI, Section A, Line 1a	THE EXECUTIVE COMMITTEE CONSISTS OF THE CHAIRMAN OF THE BOARD, THE VICE CHAIRMAN OF THE BOARD, THE IMMEDIATE PAST CHAIRMAN OF THE BOARD, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE SECRETARY , AND THE TREASURER THE ONLY COMMITTEE MEMBER NOT ON THE GOVERNING BODY (THE BOARD) IS THE IMMEDIATE PAST CHAIRMAN OF THE BOARD WHO SERVES ON THE EXECUTIVE COMMITTEE AS AN EX-OFFICIO, NON-VOTING AND NON-FIDUCIARY MEMBER THE EXECUTIVE COMMITTEE MAY HAVE AND EXERCISE ALL AUTHORITY OF THE BOARD OF DIRECTORS IN DEALING WITH THE DAY-TO-DAY MANAGEMENT OF THE ORGANIZATION TO THE EXTENT PERMITTED BY LAW THE ACTIONS TAKEN SHALL BE REPORTED TO THE BOARD EITHER BY WRITTEN MINUTES OR REPORT BY THE CHAIRMAN

Identifier	Return Reference	Explanation
Significant changes to organizational documents	Form 990, Part VI, Section A, Line 4	THE EXECUTIVE COMMITTEE WAS GIVEN THE AUTHORITY TO EXTEND THE TERM OF A BOARD MEMBER FOR UP TO ONE YEAR IF SPECIAL CIRCUMSTANCES AROSE IN ORDER TO ALLOW THE BOARD MEMBER TO PROVIDE CONTINUING SERVICE DURING THE PERIOD OF SPECIAL CIRCUMSTANCES

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	A COPY OF THE ORGANIZATION'S FINAL FORM 990 (INCLUDING REQUIRED SCHEDULES), AS ULTIMATELY FILED WITH THE IRS, WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY AND OFFICERS IN ATTENDANCE AT THE AUDIT AND FINANCE COMMITTEE MEETING ON AUGUST 30, 2012 PRIOR TO ITS FILING WITH THE IRS. IN ADDITION, THE ORGANIZATION'S RETURN PREPARER AND MANAGEMENT PRESENTED A FORM 990 SUMMARY REPORT AT THIS MEETING.

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	ALL ORGANIZATION PERSONNEL, MEMBERS OF THE GOVERNING BODY AND ADVISORY BOARDS ARE COVERED UNDER THE ORGANIZATION'S CONFLICT OF INTEREST POLICY. IN THE EVENT THAT A SITUATION ARISES WHEREBY AN EMPLOYEE HAS A CONFLICT OF INTEREST, HE/SHE IS OBLIGATED TO REPORT THAT POTENTIAL TO THE PRESIDENT/CEO. DISCLOSURE OF A POTENTIAL CONFLICT AND THE PRESIDENT/CEO'S DECISION REGARDING THE ACTIONS WILL BE NOTED IN A FILE KEPT BY THE PRESIDENT/CEO. IN THE EVENT A SITUATION EXISTS WHEREBY A MEMBER OF THE GOVERNING BODY OR ADVISORY COMMITTEE HAS A CONFLICT OF INTEREST, HE/SHE IS OBLIGATED TO REPORT THAT POTENTIAL TO THE GOVERNING BODY. THE GOVERNING BODY WILL THEN RENDER A DECISION OF THAT MEMBER'S ELIGIBILITY TO VOTE ON ANY PARTICULAR ISSUE. DISCLOSURE OF A POTENTIAL CONFLICT AND THE GOVERNING BODY'S DECISION REGARDING THE CONFLICT WILL BE NOTED IN THE MINUTES.

Identifier	Return Reference	Explanation
Process used to establish compensation of top management official	Form 990, Part VI, Section B, Line 15a	THE CEO/PRESIDENT'S COMPENSATION IS ESTABLISHED AND APPROVED ANNUALLY BY THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS. THE COMMITTEE UTILIZES DATA PROVIDED BY INDEPENDENT COMPENSATION CONSULTANT STUDIES TO PROVIDE A BASIS FOR COMPARISON ALONG WITH AN ASSESSMENT OF THE CEO TO ARRIVE AT THE COMPENSATION AMOUNT. THIS PROCESS WAS LAST UNDERTAKEN IN THE 1ST QUARTER OF 2011. THE APPROVAL OF THE CEO/PRESIDENT'S COMPENSATION IS DOCUMENTED IN THE EXECUTIVE COMMITTEE MEETING MINUTES.

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	THE ORGANIZATION HAS A COMPENSATION PROGRAM WHICH APPLIES TO ALL PERSONNEL EXCEPT THE PRESIDENT/CEO THE POLICIES AND PROCEDURES DEFINE THE GENERAL RULES OF OPERATION OF THE COMPENSATION PROGRAM AND THE PRESIDENT/CEO RETAINS THE AUTHORITY TO REVISE THE POLICY AS NEEDED FOR THE EFFECTIVE MANAGEMENT OF THE PROGRAM THE COMPENSATION PROGRAM WAS INITIALLY DEVELOPED BY A COMPENSATION FIRM, MERCER, INC IN JANUARY 1997 IT IS REVIEWED AND REVISED AS NEEDED WITH THE MOST RECENT DETAILED REVIEW BEING PERFORMED IN OCTOBER 2010 FOR 2011 COMPENSATION BY HANNA RESOURCE GROUP

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICT OF INTEREST POLICIES ARE NOT REQUIRED TO BE DISCLOSED PUBLICLY PURSUANT TO INTERNAL REVENUE CODE (IRC) SECTION 6104. THESE DOCUMENTS MAY BE DISCLOSED BASED UPON THE DISCRETION OF THE BOARD.

Identifier	Return Reference	Explanation
Average hours worked per week for related organization	Form 990, Part VII, Section A, Column B	SALLI WHISMAN - SALLI WHISMAN WORKS 1 HOUR PER WEEK AS A PHYSICIAN FOR THE PALLIATIVE CARE CENTER OF THE BLUEGRASS KIMBERLY BELL - KIMBERLY BELL WORKS 2 HOURS PER WEEK AS A PHYSICIAN FOR THE PALLIATIVE CARE CENTER OF THE BLUEGRASS CAROL RUGGLES - VP FINANCE/CFO, AVERAGES 1 HOUR PER WEEK OF WORK FOR THE PALLIATIVE CARE CENTER OF THE BLUEGRASS SUSAN SWINFORD - VP ADMINISTRATION, AVERAGES 1 HOUR PER WEEK OF WORK FOR THE PALLIATIVE CARE CENTER OF THE BLUEGRASS TODD COTE - CHIEF MEDICAL OFFICER, AVERAGES 8 HOURS PER WEEK OF WORK FOR THE PALLIATIVE CARE CENTER OF THE BLUEGRASS GRETCHEN BROWN - PRESIDENT/CEO, AVERAGES 1 HOUR PER WEEK OF WORK FOR THE PALLIATIVE CARE CENTER OF BLUEGRASS CHRISTOPHER LYON - CHRISTOPHER LYON WORKS 7 HOURS PER WEEK AS A PHYSICIAN FOR THE PALLIATIVE CARE CENTER OF THE BLUEGRASS

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -2047680, CHANGE IN VALUE OF INTEREST RATE SWAP - -38140,

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

2011

Open to Public Inspection

Name of the organization
HOSPICE OF THE BLUEGRASS INC

Employer identification number
61-0978097

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) PALLIATIVE CARE CENTER OF THE BLUEGRASS 2312 ALEXANDRIA DRIVE LEXINGTON, KY 40504 61-1333301	PATIENT CARE	KY	501(C)(3)	9	HOSPICE OF THE BLUEGRASS	Yes	
(2) HOSPICE OF THE BLUEGRASS FOUNDATION INC 2312 ALEXANDRIA DRIVE LEXINGTON, KY 40504 61-1317442	SUPPORT	KY	501(C)(3)	Type I	HOSPICE OF THE BLUEGRASS	Yes	

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(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	

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) HOSPICE MANAGEMENT SERVICES LLC 2312 ALEXANDRIA DRIVE LEXINGTON, KY 40504 61-1377125	INACTIVE	KY	NA	C CORPORATION			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 related organization(s)

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

Other transfer of cash or property from related 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

No

No

No

No

No

Yes

Yes

Yes

Yes

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) PALLIATIVE CARE CENTER OF THE BLUEGRASS INC	B	506,164	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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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Additional Data

Software ID: 11000230

Software Version: v2011.1.0

EIN: 61-0978097

Name: HOSPICE OF THE BLUEGRASS INC

Form 990, Special Condition Description:

Special Condition Description

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			
GRETCHEN BROWN PRESIDENT/CEO	40 00	X		X				316,174	0	21,917
JEN SHAH TREASURER BOARD OF DIRECTORS	2 00	X		X				0	0	0
LAURA BOISON CHAIR BOARD OF DIRECTORS	2 00	X		X				0	0	0
MELBA BJORNSON VICE CHAIR BOARD OF DIRECTORS	2 00	X		X				0	0	0
WOODFORD WEBB SECRETARY BOARD OF DIRECTORS	2 00	X		X				0	0	0
BETSY CLEMONS BOARD MEMBER	1 00	X						0	0	0
ED HOLMES BOARD MEMBER (PARTIAL YEAR)	0 00	X						0	0	0
ERIC FRANKL BOARD MEMBER	1 00	X						0	0	0
JACK CUNNINGHAM BOARD MEMBER	1 00	X						0	0	0
JANET SCHWARTZ BOARD MEMBER	1 00	X						0	0	0
JOHN MILWARD BOARD MEMBER	1 00	X						0	0	0
JOHN RASNICK BOARD MEMBER	1 00	X						0	0	0
LISA HINKLE BOARD MEMBER	1 00	X						0	0	0
MARK MILLER BOARD MEMBER	1 00	X						0	0	0
MARK NABITY BOARD MEMBER	1 00	X						0	0	0
PAUL CHARTIER BOARD MEMBER	1 00	X						0	0	0
RANDY LEMAY BOARD MEMBER	1 00	X						0	0	0
ROBERT HARDY JR BOARD MEMBER	1 00	X						0	0	0
SHANNON ARVIN BOARD MEMBER	1 00	X						0	0	0
SUSAN STEMPEL BOARD MEMBER	1 00	X						0	0	0
TERRI FRYMAN BOARD MEMBER	1 00	X						0	0	0
TONYA JACKSON BOARD MEMBER	1 00	X						0	0	0
CAROL RUGGLES VP FINANCE/CFO	40 00			X				142,542	0	24,479
CROSWELL CHAMBERS CHIEF INFORMATION AND SECURITY OFFICER	40 00			X				101,616	0	1,963
DANITA ROSS VP HUMAN RESOURCES	40 00			X				119,996	0	12,911

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			
DEEDE BYRNE CHIEF CLINICAL OFFICER	40 00			X				119,142	0	21,171
EUGENIA SMITHER VP COMPLIANCE AND QUALITY IMPROVEMENT	40 00			X				100,368	0	17,714
SUSAN SWINFORD VP ADMINISTRATION	40 00			X				113,584	0	26,070
SUSAN WARE VP DEVELOPMENT	40 00			X				115,406	0	11,926
TODD COTE CHIEF MEDICAL OFFICER	52 00			X				237,460	36,775	31,820
CHRISTOPHER LYON ASSOCIATE MEDICAL DIRECTOR	53 00					X		150,496	18,297	22,254
KIMBERLY BELL ASSOCIATE MEDICAL DIRECTOR	58 00					X		143,184	5,316	5,278
NANNETTE BERNALES ASSOCIATE MEDICAL DIRECTOR	60 00					X		146,946	0	19,311
SALLI WHISMAN SENIOR HOSPICE MEDICAL DIRECTOR	59 00					X		188,705	2,641	30,133
WENDY LATUNIK ASSOCIATE MEDICAL DIRECTOR	60 00					X		161,029	0	8,881