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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 04-01-2011 and ending 03-31-2012

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

C Name of organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Doing Business As
THE MEDICAL CENTER

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

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

D Employer identification number
61-0920842

E Telephone number
(270)745-1500

G Gross receipts $ 443,669,302

F Name and address of principal officer
CONNIE SMITH
800 PARK STREET
BOWLING GREEN, KY 421029876

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www mcbg org

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

Part I Summary

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	2,669
6	Total number of volunteers (estimate if necessary)	**6**	94
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,057,851
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	138,593	76,299
9	Program service revenue (Part VIII, line 2g)	265,385,229	292,727,842
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,683,213	4,911,855
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,731,720	14,374,081
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	282,938,755	312,090,077
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	8,484
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	113,024,675	122,435,275
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	152,235,034	166,053,862
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	265,259,709	288,497,621
19	Revenue less expenses Subtract line 18 from line 12	17,679,046	23,592,456

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	287,439,867	312,943,895
21	Total liabilities (Part X, line 26)	163,003,839	185,841,395
22	Net assets or fund balances Subtract line 21 from line 20	124,436,028	127,102,500

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

****** | 2013-02-13
Signature of officer | Date

RONALD G SOWELL EXECUTIVE VICE PRESIDENT/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ KIM SCIFRES | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ BKD LLP
400 E MAIN ST STE 200 PO BOX 1196
BOWLING GREEN, KY 421021196

EIN ▶

Phone no ▶ (270) 781-0111

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

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

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses $ 161,754,662 including grants of $) (Revenue $ 171,485,617)

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

4b (Code) (Expenses $ 91,581,417 including grants of $) (Revenue $ 121,242,225)

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 253,336,079

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts 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*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	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, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	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*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	196		
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, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	2,669			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
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**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
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	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7		
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			No
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		Yes	
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		Yes	
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		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			No

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

			Yes	No
10a	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	Yes	
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	Yes	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its 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

☐ Own website ☐ Another's website ☑ Upon request

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

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

JAMES LARRY VAUGHN
800 PARK STREET
BOWLING GREEN, KY 42102
(270) 745-1500

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BOB HOVIOUS CHAIRMAN	1 0	X		X				0	0	0
(2) DR PAUL COOK VICE CHAIRMAN	1 0	X		X				0	0	0
(3) JANET JOHNSON DIRECTOR	1 0	X						0	0	0
(4) JOE NATCHER SECRETARY	1 0	X		X				0	0	0
(5) DONNA BLACKBURN DIRECTOR	1 0	X						0	0	0
(6) CURTIS SULLIVAN DIRECTOR	1 0	X						0	0	0
(7) ELI JACKSON III DMD DIRECTOR	1 0	X						0	0	0
(8) CATHY BISHOP DIRECTOR	1 0	X						0	0	0
(9) HUGH SIMS MD DIRECTOR	1 0	X						0	0	0
(10) KAL SAHETYA MD DIRECTOR	1 0	X						0	0	0
(11) MARK BIGLER MD DIRECTOR	1 0	X						0	0	0
(12) CONNIE SMITH DIRECTOR & PRESIDENT/CEO	2 0	X		X				0	725,343	28,142
(13) JOHN DESMARAIS DIRECTOR	1 0	X						0	0	0
(14) SARAH MOORE EXECUTIVE VICE PRESIDENT	2 0			X				0	233,775	96,714
(15) BETSY KULLMAN CNO/EXECUTIVE VICE PRESIDENT	2 0			X				0	246,276	91,892
(16) BARBARA JEAN CHERRY CIO/EXECUTIVE VICE PRESIDENT	2 0			X				0	439,083	37,151
(17) RONALD G SOWELL CFO/EXECUTIVE VICE PRESIDENT	1 0			X				0	425,578	42,344

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) ERIC HAGAN VP/MEDICAL CTR AT SCOTTSVILLE	40 0				X			188,695	0	35,210
(19) DAVID REEVES PHARMACY MANAGER	40 0					X		161,359	0	54,119
(20) WADE R STONE VICE PRESIDENT	40 0					X		186,677	0	25,608
(21) LLOYD ASP PHYSICIST	40 0					X		197,763	0	73,982
(22) CURTIS BAKER PHYSICIST	40 0					X		175,473	0	18,677
(23) EDDIE SCOTT DIRECTOR/RADIOLOGY	40 0					X		152,661	0	31,904

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	1,062,628	2,070,055	535,743

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 31

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK CORPORATION 12483 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	BIOMED EQUIP REPAIR	3,032,896
DISABILITY MEDICAL CONSULTANTS 1131 FAIRWAY ST BOWLING GREEN, KY 42103	PROFESSIONAL SVCS	1,132,508
MORRISON MANAGEMENT SPECIALIST INC PO BOX 102289 ATLANTA, GA 30368	CAFETERIA SERVICES	2,144,983
LOGANS UNIFORM RENTAL INC PO BOX 6493958 CINCINNATI, OH 45264	LAUNDRY SERVICES	1,732,487
EXECUTIVE HEALTH RESOURCES INC 15 CAMPUS BLVD SUITE 200 NEWTOWN SQUARE, PA 19073	PROFESSIONAL SVCS	1,086,915

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 34

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	59,929			
	e	Government grants (contributions)	1e	16,370			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f	▶	76,299			
Program Service Revenue			Business Code				
	2a	INPATIENT SERVICES	621110	171,485,617	171,485,617		
	b	OUTPATIENT SERVICES	621400	121,242,225	121,242,225		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f	▶	292,727,842			
	3	Investment income (including dividends, interest and other similar amounts)	▶	3,417,026			3,417,026
	4	Income from investment of tax-exempt bond proceeds	▶	0			
	5	Royalties	▶	0			
			(i) Real / (ii) Personal				
	6a	Gross rents	2,332,481				
	b	Less rental expenses	2,424,963				
	c	Rental income or (loss)	-92,482				
	d	Net rental income or (loss)	▶	-92,482			-92,482
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	130,535,741 / 113,350				
	b	Less cost or other basis and sales expenses	128,910,739 / 243,523				
	c	Gain or (loss)	1,625,002 / -130,173				
	d	Net gain or (loss)	▶	1,494,829			1,494,829
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events	▶	0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities	▶	0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory	▶	0			
		Miscellaneous Revenue	Business Code				
	11a	RETAIL PHARMACY SALES	446110	6,617,512		1,641,143	4,976,369
	b	MEDICAL EQUIPMENT SALES	453000	3,421,186	1,243,488	2,177,698	
	c	CONTRACT LABOR	900099	1,204,662	1,204,662		
	d	All other revenue		3,223,203	1,984,193	1,239,010	
	e	**Total.** Add lines 11a–11d	▶	14,466,563			
	12	**Total revenue.** See Instructions	▶	312,090,077	297,160,185	5,057,851	9,795,742

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	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	8,484	8,484		
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	223,905		223,905	
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	89,500,635	84,753,984	4,746,651	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,168,391	5,820,594	347,797	
9	Other employee benefits	19,998,283	18,870,704	1,127,579	
10	Payroll taxes	6,544,061	6,174,735	369,326	
11	Fees for services (non-employees)				
a	Management	12,816,000		12,816,000	
b	Legal	1,295,377	2,710	1,292,667	
c	Accounting	314,455		314,455	
d	Lobbying	11,661		11,661	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	21,765,773	21,765,773		
12	Advertising and promotion	651,786	168,089	483,697	
13	Office expenses	16,358,063	12,337,883	4,020,180	
14	Information technology	3,341,364	3,341,364		
15	Royalties . .	0			
16	Occupancy	3,961,694	3,379,069	582,625	
17	Travel	896,600	831,923	64,677	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	4,317,270	3,546,122	771,148	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	11,466,125	9,353,895	2,112,230	
23	Insurance	2,537,581	2,408,898	128,683	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT EXPENSE	15,815,652	15,815,652		
b	MEDICAL SUPPLIES	60,626,323	60,537,927	88,396	
c	OTHER TAXES AND LICENSES	4,041,504	4,008,108	33,396	
d	PHYSICIAN PRACTICE EXPENSES	5,311,585		5,311,585	
e					
f	All other expenses	525,049	210,165	314,884	
25	**Total functional expenses.** Add lines 1 through 24f	288,497,621	253,336,079	35,161,542	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		7,816,814	1	8,728,976
	2	Savings and temporary cash investments		111,833,025	2	129,289,950
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		28,444,866	4	37,652,287
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	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		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		5,986,354	8	7,067,743
	9	Prepaid expenses and deferred charges		5,150,305	9	7,717,987
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 288,613,344			
	b	Less accumulated depreciation	10b 190,244,675	100,152,490	10c	98,368,669
	11	Investments—publicly traded securities		18,033,723	11	14,590,692
	12	Investments—other securities See Part IV, line 11		2,952,652	12	0
	13	Investments—program-related See Part IV, line 11		0	13	3,299,153
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		7,069,638	15	6,228,438
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		287,439,867	16	312,943,895
Liabilities	17	Accounts payable and accrued expenses		29,737,220	17	33,183,927
	18	Grants payable		0	18	0
	19	Deferred revenue		967,759	19	879,917
	20	Tax-exempt bond liabilities		98,165,000	20	94,750,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		6,875,897	23	4,993,762
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		27,257,963	25	52,033,789
	26	**Total liabilities.** Add lines 17 through 25		163,003,839	26	185,841,395
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		122,982,371	27	125,623,203
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		1,453,657	29	1,479,297
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		124,436,028	33	127,102,500
	34	Total liabilities and net assets/fund balances		287,439,867	34	312,943,895

Part XI Reconcilliation 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	312,090,077
2	Total expenses (must equal Part IX, column (A), line 25)	2	288,497,621
3	Revenue less expenses Subtract line 2 from line 1	3	23,592,456
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	124,436,028
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-20,925,984
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	127,102,500

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

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

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

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt 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? ☐ Yes ☐ 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		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 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) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		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		11,661
j	Total lines 1c through 1i			11,661
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING EXPENSES	SCHEDULE C, PART II-B, LINE 1i	THE CORPORATION IS A MEMBER OF THE KENTUCKY HOSPITAL ASSOCIATION THE PORTION OF THE DUES PAID WHICH ARE ATTRIBUTABLE TO LOBBYING TOTAL $11,661

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	117,185,927	88,386,125	71,881,958	67,604,167	
b Contributions	19,894,588	27,352,333	6,761,029	24,386,804	
c Investment earnings or losses	1,145,030	4,772,379	9,206,992	-6,555,166	
d Grants or scholarships					
e Other expenditures for facilities and programs	6,991,557	3,149,367	-713,721	13,553,847	
f Administrative expenses	303,559	175,543	177,575		
g End of year balance	130,930,429	117,185,927	88,386,125	71,881,958	

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

- a Board designated or quasi-endowment ▶ 98 470 %
- b Permanent endowment ▶ 1 530 %
- c Term endowment ▶ 0 %

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

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	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		7,598,362		7,598,362
b Buildings		134,326,372	71,363,445	62,962,927
c Leasehold improvements				
d Equipment		141,380,187	115,095,041	26,285,146
e Other		5,308,420	3,786,186	1,522,234
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				98,368,669

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
INVESTMENT - RATE SWAP 3/2008	10,318,435
ACCRUED RETIREMENT, LONG-TERM	39,545,609
LONG-TERM PL/GL LIABILITY	2,169,745
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	52,033,789

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	312,090,077
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	288,497,621
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	23,592,456
4	Net unrealized gains (losses) on investments	4	-1,167,320
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-19,758,682
9	Total adjustments (net) Add lines 4 - 8	9	-20,926,002
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,666,454

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	312,591,617
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-1,167,320		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	-1,167,320
3	Subtract line **2e** from line **1**			3	313,758,937
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	-1,668,860		
c	Add lines **4a** and **4b**			4c	-1,668,860
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	312,090,077

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

1	Total expenses and losses per audited financial statements			1	290,192,121
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	2,556,136		
e	Add lines **2a** through **2d**			2e	2,556,136
3	Subtract line **2e** from line **1**			3	287,635,985
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	861,636		
c	Add lines **4a** and **4b**			4c	861,636
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	288,497,621

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
ENDOWMENT FUNDS	SCH D, PART V, LINE 4	---------- THE MEDICAL CENTER'S ENDOWMENT CONSISTS OF FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES THE ENDOWMENT INCLUDES BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS (BOARD-DESIGNATED ENDOWMENT FUNDS) AS REQUIRED BY GAAP, NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS, INCLUDING BOARD-DESIGNATED ENDOWMENT FUNDS, ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR-IMPOSED RESTRICTIONS UNRESTRICTED NET ASSETS INCLUDED $87,033,191 OF BOARD-DESIGNATED ENDOWMENT FUNDS FOR FUTURE CAPITAL IMPROVEMENTS AND OTHER PURPOSES AS DETERMINED BY THE BOARD OF DIRECTORS PERMANENTLY RESTRICTED NET ASSETS INCLUDED $1,352,934 OF DONOR-RESTRICTED ENDOWMENT FUNDS
INCOME TAX STATUS	SCH D, PART X, LINE 2	---------- MOST OF THE INCOME RECEIVED BY THE MEDICAL CENTER IS EXEMPT FROM TAXATION UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE SOME OF ITS INCOME IS SUBJECT TO TAXATION AS UNRELATED BUSINESS INCOME THE MEDICAL CENTER FILES FEDERAL INCOME TAX RETURNS, AS WELL AS AN INCOME TAX RETURN IN KENTUCKY THE MEDICAL CENTER IS NO LONGER SUBJECT TO U S FEDERAL INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2009 FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION TOPIC 740 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN A COMPANY'S FINANCIAL STATEMENTS AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN, OR EXPECTED TO BE TAKEN IN A TAX RETURN TOPIC 740 ALSO PROVIDES GUIDANCE ON DESCRIPTION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE AND TRANSITION THE MEDICAL CENTER DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS RECOGNIZED FOR 2012 OR 2011 THE MEDICAL CENTER'S PRACTICE IS TO RECOGNIZE INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN INCOME TAX EXPENSE
RECONCILIATION TO AUDIT REPORT - NET ASSETS	SCH D, PART XI, LINE 8	---------- OTHER CHANGES IN NET ASSETS CHANGE IN FV OF INTEREST RATE SWAP ($5,749,415) CHANGE IN MINIMUM PENSION LIABILITY ($14,276,284) TRANSFER FROM AFFILIATES $267,017 ---------- ($19,758,682)
RECONCILIATION TO AUDIT REPORT - REVENUES	SCH D, PART XII	---------- LINE 4B OTHER AMOUNTS INCLUDED ON TAX RETURN NOT ON LINE 1 RECLASSIFICATION OF REVENUES & EXPENSES $861,636 RENTAL EXPENSE SHOWN NET OF REV PER TAX RETURN ($2,424,963) LOSS ON DISPOSALS INCLUDED IN EXP PER AUDIT ($131,173) INVESTMENT INCOME - PERMANENTLY RESTRICTED ASSETS 25,640 ---------- ($1,668,860)
RECONCILIATION TO AUDIT REPORT - EXPENSES	SCH D, PART XIII	---------- LINE 2D AMOUNTS INCLUDED ON LINE 1 BUT NOT ON TAX RETURN RENTAL EXPENSES SHOWN NET OF REV PER TAX RETURN $2,424,963 LOSS ON DISPOSALS INCLUDED IN EXP PER AUDIT $131,173 ---------- $2,556,136 LINE 4B AMOUNTS INCLUDED ON TAX RETURN BUT NOT ON LINE 1 RECLASSIFICATION OF REVENUE & EXPENSE $861,636

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)	2	6,418	14,908,906	3,132,240	11,776,666	4 320 %
b Medicaid (from Worksheet 3, column a)	2		35,335,324	29,380,531	5,954,793	2 180 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs	4	6,418	50,244,230	32,512,771	17,731,459	6 500 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	306	38,883	3,124,272		3,124,272	1 150 %
f Health professions education (from Worksheet 5)	7	865	3,370,377		3,370,377	1 240 %
g Subsidized health services (from Worksheet 6)	2	15,399	12,707,295	7,677,911	5,029,384	1 840 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	160		61,853		61,853	0 020 %
j **Total** Other Benefits	475	55,147	19,263,797	7,677,911	11,585,886	4 250 %
k **Total.** Add lines 7d and 7j	479	61,565	69,508,027	40,190,682	29,317,345	10 750 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development	3		2,340		2,340	
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members	2	2	29,417		29,417	0 010 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	5		835,415		835,415	0 310 %
9	Other	1		3,250		3,250	
10	**Total**	11	2	870,422		870,422	0 320 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	15,815,652		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	4,707,499		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	110,296,589
6	Enter Medicare allowable costs of care relating to payments on line 5	6	128,810,394
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-18,513,805
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	THE MEDICAL CENTER BOWLING GREEN CAMPUS 800 PARK STREET BOWLING GREEN, KY 42101	X	X					X		
2	THE MEDICAL CENTER SCOTTSVILLE CAMPUS 456 BURNLEY ROAD SCOTTSVILLE, KY 42164	X	X			X		X		NURSING FACILITY

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

THE MEDICAL CENTER BOWLING GREEN CAMPUS

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

THE MEDICAL CENTER SCOTTSVILLE CAMPUS

Name of Hospital Facility: _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (Describe)
1	THE MEDICAL CENTER HEALTH & WELLNESS CTR 1857 TUCKER WAY BOWLING GREEN, KY 42104	COMMUNITY WELLNESS CENTER
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE	SCH H, PART I, LINE 3C	---------- THE INCOME LIMIT FOR CHARITY CARE IS 200% OF THE FEDERAL POVERTY LEVEL DISCOUNTS ARE PROVIDED TO ALL PATIENTS WHO ARE UNINSURED WHOSE INCOME EXCEEDS THE LIMITS TO QUALIFY FOR CHARITY CARE SELF-PAY DISCOUNTS ARE NOT LIMITED BASED ON INCOME THE HOSPITAL ALSO PROVIDES PAYMENT PLANS FOR SELF-PAY PATIENTS

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT REPORT	SCH H, PART I, LINE 6	---------- THE ANNUAL REPORT TO THE COMMUNITY IS MADE AVAILABLE TO THE PUBLIC VIA NEWSPAPER INSERTS, DIRECT MAILINGS, AND IS POSTED ON THE MEDICAL CENTER'S WEBSITE AT WWW MCBG ORG

Identifier	ReturnReference	Explanation
BENEFITS AT COST	SCH H, PART I, LINE 7	---------- THE AMOUNTS REPORTED ON LINE 7G ARE DETERMINED BY MULTIPLYING REVENUE BY THE MEDICARE COST TO CHARGE RATIO BAD DEBTS INCLUDED IN PART IX, LINE 25 TOTALED $15,815,652 THIS AMOUNT HAS BEEN REMOVED FROM TOTAL EXPENSES CALCULATED IN COLUMN F ON SCHEDULE H, PART I AND II COST OF CHARITY CARE WAS CALCULATED WITH A COST TO CHARGE RATIO USING WORKSHEET 2 THE COSTS RELATED TO MEDICAID PATIENTS WAS DETERMINED USING THE HOSPITAL COST ACCOUNTING SYSTEM FOR SUBSIDIZED SERVICES THE HOSPITAL'S COST ACCOUNTING SYSTEM IS USED TO DETERMINE COSTS RELATED TO THE SPECIFIC SERVICE EXCLUDING TRADITIONAL MEDICAID AND MEDICAID MANAGED PATIENTS COSTS FOR CHARITY AND BAD DEBT ACCOUNTS ARE DEDUCTED USING A RATIO OF COST TO CHARGE SPECIFIC TO THAT SUBSIDIZED SERVICE COSTS FOR OTHER PROGRAMS REFLECT THE DIRECT AND INDIRECT COSTS OF PROVIDING THOSE PROGRAMS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	SCH H, PART III, LINE 4	---------- THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE BAD DEBT IS CLASSIFIED AS AN OPERATING EXPENSE THIS TREATMENT IS CONSISTENT WITH THE HFMA PRINCIPLES AND PRACTICE BOARD STATEMENT NO 15 AND WITH THE AICPA AUDIT AND ACCOUNTING GUIDE FOR HEALTH CARE ORGANIZATIONS

Identifier	ReturnReference	Explanation
CALCULATION OF MEDICARE ALLOWABLE COSTS	SCH H, PART III, LINE 6	---------- COSTS REPORTED ON LINE 6 ARE OBTAINED FROM THE MEDICARE COST REPORT WHICH ARE BASED ON A COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES	SCH H, PART III, LINE 9B	---------- THE MEDICAL CENTER PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES BECAUSE THE MEDICAL CENTER DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, REVENUE IS NOT RECORDED FOR SUCH SERVICES THE MEDICAL CENTER MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE THEY PROVIDE THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THEIR CHARITY CARE POLICY OTHER UNCOMPENSATED CARE RELATES PRINCIPALLY TO CONTRACTUAL ALLOWANCES FOR GOVERNMENT PAYERS, DISCOUNTS TAKEN BY COMMERCIAL PAYERS AND BAD DEBTS BENEFITS FOR THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES OR WHO ARE UNINSURED THIS INCLUDES TRADITIONAL CHARITY CARE AT STANDARD BILLING RATES AND THE COSTS OF TREATING MEDICAID BENEFICIARIES IN EXCESS OF GOVERNMENT PAYMENTS THE MEDICAL CENTER DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO BE TRADITIONAL CHARITY CARE THEREFORE, THESE AMOUNTS ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCH H, PART VI, QUESTION 2	---------- THE MEDICAL CENTER IS BUILT UPON THE FOUNDATION OF SERVING OUR COMMUNITY, DAY IN AND DAY OUT, WITH QUALITY DEPENDABLE HEALTHCARE THE MEDICAL CENTER HAS NOT HISTORICALLY COMPLETED FORMAL HEALTH NEEDS ASSESSMENTS, HOWEVER, AS NEEDS ARISE IN THE COMMUNITY AND SURROUNDING COUNTIES, THE MEDICAL CENTER RESPONDS The Medical Center is part of an integrated healthcare Delivery system as described in Question 6 below The multiple facilities including the Commonwealth Health Free Clinic are evidence of the Medical Center's commitment to responding to Health needs in our community and the surrounding rural counties

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCH H, PART VI, QUESTION 3	---------- UPON REGISTRATION, PATIENTS ARE PROVIDED A PATIENT HANDBOOK WHICH CONTAINS INFORMATION REGARDING FINANCIAL ASSISTANCE ADDITIONALLY, SIGNAGE AND BROCHURES DESCRIBING FINANCIAL ASSISTANCE POLICIES ARE AVAILABLE AT ADMISSIONS AREAS EACH PATIENT WILL RECEIVE A STATEMENT REFERRED TO AS A FIRST NOTICE THE FIRST NOTICE STATES THAT IT IS NOT A BILL, BUT IT IS SUMMARY OF THE PATIENT'S CHARGES THIS NOTICE AND EACH SUBSEQUENT STATEMENT CONTAINS INFORMATION CONCERNING FINANCIAL ASSISTANCE AS WELL AS CONTACT INFORMATION FOR QUESTIONS THE MEDICAL CENTER ALSO MAINTAINS A WEBSITE FOR BILLING AND COLLECTIONS QUESTIONS FINANCIAL ASSISTANCE POLICIES ARE POSTED TO THIS WEBSITE AS WELL AS FREQUENTLY ASKED QUESTIONS REGARDING BILLINGS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCH H, PART VI, QUESTION 4	---------- BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION(THE MEDICAL CENTER) IS DESIGNATED AS A REGIONAL REFERRAL CENTER BY THE BARREN RIVER REGIONAL HEALTH PLANNING COUNCIL, AN AGENCY OF THE COMMONWEALTH OF KENTUCKY THE MEDICAL CENTER SERVES PATIENTS THROUGHOUT AN AREA COMPRISING TEN COUNTIES, CALLED THE BARREN RIVER AREA DEVELOPMENT DISTRICT (THE DISTRICT), IN SOUTH CENTRAL KENTUCKY THE POPULATION OF THE MEDICAL CENTER'S PRIMARY SERVICE AREA IS APPROXIMATELY 286,000 PEOPLE THE COMMUNITY IS GROWING AND WE ALSO SERVE A GROWING UNINSURED AND UNDERINSURED POPULATION THERE ARE TWO ACUTE CARE HOSPITALS IN THE COMMUNITY THE PERCENTAGE OF UNINSURED PERSONS IN THE COUNTIES SERVED BY THE MEDICAL CENTER RANGE FROM 18% TO 24%, WHICH IS HIGHER THAN THE KENTUCKY AVERAGE THE NUMBER OF RESIDENTS IN THE DISTRICT IN HOUSEHOLDS BELOW THE FEDERAL POVERTY GUIDELINES VARY BY COUNTY AND RANGE FROM 18 5% TO 27 1% COMPARED TO THE KENTUCKY POVERTY RATE OF 17 7% THE THREE HIGHEST POPULATED COUNTIES IN THE DISTRICT ARE WARREN, BARREN AND ALLEN WHOSE AVERAGE MEDIAN HOUSEHOLD INCOME IS $43,954, $38,374 AND $35,247 RESPECTIVELY APPROXIMATELY 64% OF THE DISTRICT'S POPULATION IS CLASSIFIED AS RURAL THE PERCENTAGE OF THE POPULATION IN THE COMMUNITY OVER 65 YEARS OLD IS APPROXIMATELY 15% ACCORDING TO THE EVERYBODY SURVEY CONDUCTED BY THE BARREN RIVER DISTRICT HEALTH DEPARTMENT, THE MOST SERIOUS HEALTH PROBLEMS IN THE COMMUNITY ARE OBESITY, ALCOHOL AND DRUG ADDITION, HEART ATTACK, STROKE, HIGH BLOOD PRESSURE, CANCER AND DIABETES THIS SURVEY ALSO IDENTIFIED PROBLEM HEALTH BEHAVIORS FOR THE DISTRICT WHICH INCLUDE ALCOHOL AND DRUG ABUSE, NOT ENOUGH PHYSICAL ACTIVITY, TOBACCO USE AND POOR DIET

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCH H, PART VI, QUESTION 5	---------- COMMUNITY BUILDING ACTIVITIES INCLUDE PARTICIPATION IN THE CHAMBER OF COMMERCE, DOWNTOWN REDEVELOPMENT AND LEADERSHIP BOWLING GREEN

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM ROLES	SCH H, PART VI, QUESTION 6	---------- BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION ("THE MEDICA L CENTER") IS OWNED AND CONTROLLED BY COMMONWEALTH HEALTH CORPORATION ("CHC) CHC HAS BEEN DETERMINED TO BE A PUBLICLY SUPPORTED ORGANIZATION DESCRIBED IN SECTION 509(A)(2) OF THE CODE AND A CHARITABLE ORGANIZATION AS DESCRIBED IN SECTION 501(C)(3) OF THE CODE AND IS EX EMPT FROM FEDERAL INCOME TAXATION BY VIRTUE OF SECTIONS 501(A) AND 501(C)(3) OF THE CODE THE BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION IS A NON-STOCK, NONPROFIT K ENTUCKY CORPORATION THAT OPERATES A HOSPITAL FACILITY IN BOWLING GREEN, KENTUCKY, UNDER TH E NAME "THE MEDICAL CENTER" OR "THE MEDICAL CENTER AT BOWLING GREEN" AND, SINCE OCTOBER 19 96, A HOSPITAL AND NURSING HOME FACILITY IN SCOTTSVILLE, KENTUCKY, UNDER THE NAME "THE MED ICAL CENTER AT SCOTTSVILLE " The Medıcal Center AT BOWLING GREEN Bowlıng Green Warren Cou nty Communıty Hospıtal's Bowlıng Green Facılity ıs a general acute care hospıtal lıcensed for 337 beds, wıth 330 beds ın use In 1980, the Bowlıng Green Facılity moved ınto a new, sıx-story, state-of-the-art facılity, occupyıng 298,000 square feet on a 17-acre campus S ınce 1980, because of an expandıng demand for outpatıent servıces, several additıons to th e Bowlıng Green Facılity have been made and both clınical and patıent areas have been reno vated and modernızed Today, the campus ıncludes 56 acres and the buıldıngs on the campus contaın a total of approxımately 462,000 square feet of space IN ADDITION, THE HOSPITAL O PERATES THE WHOLLY OWNED MEDICAL CENTER EMS, LLC WHICH PROVIDES THE ONLY EMERGENCY MEDICAL SERVICE IN WARREN COUNTY THE HOSPITAL IS ALSO A 50% PARTNER WITH ANOTHER NONPROFIT IN OP ERATING THE NON-PROFIT BARREN RIVER REGIONAL CANCER CENTER, INC , AN OUTPATIENT ONCOLOGY C ENTER LOCATED IN GLASGOW, KENTUCKY The Medıcal Center AT SCOTTSVILLE To more fully serve the health needs of south central Kentucky, The Medıcal Center merged ın O ctober 1996 wıt h an affiliated entıty, Health Endowment Properties A-C, Inc , a Kentucky non-stock, nonpr ofit corporatıon, whıch owned and operated The Medıcal Center at Scottsvılle (the "Scottsv ılle Facılity") The Scottsvılle Facılity opened ın 1996 and ıs comprısed of a 25-bed crıt ıcal access hospıtal and 110 nursıng care beds These beds are located ın an 85,000 square foot buıldıng on approxımately 13 acres of land ın Allen County, near Scottsvılle, Kentuc ky COMMONWEALTH HEALTH CORPORATION ---------- ---------- CHC IS A HOLDING COMPA NY FOR A TOTAL OF TWELVE FOR-PROFIT AND NONPROFIT CORPORATIONS AND PARTNERSHIPS (COLLECTIV ELY, THE "AFFILIATES") ENGAGED IN VARIOUS ASPECTS OF THE HEALTHCARE INDUSTRY CHC HAS ESTA BLISHED VARIOUS DIVISIONS FOR ITS OPERATIONS, INCLUDING (1) BOWLING GREEN WARREN COUNTY CO MMUNITY HOSPITAL CORPORATION ("THE MEDICAL CENTER"), (2) COMMONWEALTH HEALTH FREE CLINIC, INC , (3) THE MEDICAL CENTER AT FRANKLIN, INC , (4) COMMONWEALTH REGIONAL SPECIALTY HOSPIT AL, INC , AND (5) VARIOUS FOR-PROFIT CORPORATIONS AND PARTNERSHIPS CHC OWNS AND OPERATES NINE PHYSICIAN PRACTICES EMPLOYING GENERAL PRACTITIONERS, CARDIAC SURGEONS, VASCULAR SURGE ONS, A NEUROSURGEON, NEUROLOGISTS, OBSTETRIC/GYNECOLOGISTS, HOSPITALISTS, AN OTOLARYNGOLOG IST AND PSYCHIATRISTS CHC HAS ACQUIRED THE PHYSICIAN PRACTICES IN ORDER TO ATTRACT AND RE TAIN HIGHLY SKILLED PHYSICIANS IN SPECIALTIES THAT SUPPORT THE MISSION OF CHC AND ITS AFFI LIATES IN ADDITION, CHC OPERATES AND PROVIDES VARIOUS CORPORATE SUPPORT SERVICES INCLUDIN G PATIENT BILLING, COLLECTIONS, ACCOUNTING, MATERIALS MANAGEMENT, ENGINEERING, SECURITY, H UMAN RESOURCES, INFORMATION SYSTEMS, AND ADMINISTRATIVE SUPPORT SINCE 1990, CHC'S WHOLLY- OWNED CENTERCARE HEALTH BENEFITS PROGRAM ("CENTERCARE"), A PREFERRED PROVIDER ORGANIZATION (PPO), HAS ASSISTED EMPLOYERS IN MANAGING THE RISING COST OF THEIR HEALTHCARE THE PPO FERS EMPLOYER GROUPS IN THIS REGION A COMPREHENSIVE NETWORK OF PHYSICIANS AND FACILITIES W ITH GREATER COST SAVINGS POTENTIAL THAN OTHER NATIONAL ORGANIZATIONS TODAY, CENTERCARE SE RVES AS THE STATEWIDE NETWORK FOR TWO MANAGED CARE ORGANIZATIONS PROVIDING MEDICAID MANAGE D CARE SERVICE FOR THE STATE OF KENTUCKY IT ALSO SERVICES OVER 380,000 MEMBERS BY PROVIDI NG ACCESS TO OVER 17,000 PROVIDERS IN KENTUCKY, TENNESSEE, INDIANA, OHIO, AND ILLINOIS SI NCE 2008, CHC HAS BEEN THE SOLE OWNER OF BLUEGRASS OUTPATIENT CENTER OF BOWLING GREEN, LLC ("BLUEGRASS") BLUEGRASS PROVIDES COMPREHENSIVE REHABILITATION THERAPY SERVICES CHC'S FO R-PROFIT ACTIVITIES INCLUDE URGENTCARE OF BOWLING GREEN, INC ("URGENTCARE") URGENTCARE I S A WHOLLY-OWNED CORPORATION WHICH SERVES AS A 50% OWNER IN A PRIMARY CARE CENTER COMMONW EALTH HEALTH FREE CLINIC, INC ---------- ---------- COMMONWEALTH HEALTH FR EE CLINIC, INC ("CHFC") WAS ORGANIZED TO OPERATE A CLINIC, WHICH PROVIDES BASIC MEDICAL A ND DENTAL DIAGNOSTIC AND TREATMENT SERVICES FOR CHARITABLE PURPOSES FOR THE "WORKING POOR" OF SOUTH-CENTRAL KENTUCKY THE "WORKING POOR" ARE

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM ROLES	SCH H, PART VI, QUESTION 6	THOSE INDIVIDUALS WHO HAVE DONE THEIR BEST TO STAY IN THE WORK FORCE BUT DO NOT HAVE INSU RANCE OR ANY FORM OF SOCIAL ASSISTANCE AND DO NOT HAVE THE MEANS TO PAY FOR THEIR HEALTHCA RE CHFC OFFERS SERVICES INCLUDING NON-EMERGENCY CLINICAL SERVICES, DENTISTRY, SENIOR CIT IZEN'S PHARMACEUTICAL PROGRAM, COMMUNITY HEALTH EDUCATION AND COUNSELING, DISEASE/CONDITIO N SPECIFIC EDUCATION AND COUNSELING IN ADDITION, THE DENTAL PROGRAM HAS BEEN EXPANDED TO INCLUDE INDIVIDUALS WITH INCOME AT OR BELOW 225% OF FEDERAL POVERTY GUIDELINES THE MEDICA L CENTER AT FRANKLIN, INC ---------- ("MCF") OPERATES A HOSPITA L IN THE COMMUNITY OF FRANKLIN, SIMPSON COUNTY, KENTUCKY THIS LOCATION IS JUST 20 MILES F ROM THE MEDICAL CENTER'S BOWLING GREEN CAMPUS MCF IS A MEDICARE DESIGNATED CRITICAL ACCES S HOSPITAL OFFERING ACUTE CARE INPATIENT AND OUTPATIENT PROGRAMS IN ITS 25 BED ACUTE CARE FACILITY COMMONWEALTH REGIONAL SPECIALTY HOSPITAL, INC ---------- ---------- ---------- COMMONWEALTH REGIONAL SPECIALTY HOSPITAL IS A LONG-TERM ACUTE CARE HOSPITAL TH AT OPERATES AS A HOSPITAL WITHIN A HOSPITAL BY LEASING 28 BEDS FROM THE MEDICAL CENTER ON THE MEDICAL CENTER'S BOWLING GREEN CAMPUS IT IS AN ACUTE CARE HOSPITAL FOR THOSE PATIENTS REQUIRING AN EXTENDED HOSPITAL STAY (ANTICIPATED LENGTH OF STAY BETWEEN 18-35 DAYS) AND G ENERALLY HAVING COMPLEX OR CHRONIC MEDICAL CONDITIONS COMMONWEALTH HEALTH FOUNDATION, INC ---------- CHC ENDORSED THE ESTABLISHMENT OF COMMONWEALTH HEA LTH FOUNDATION ("THE FOUNDATION") FOR THE PURPOSE OF FOSTERING, SUPPORTING AND INITIATING ACTIVITIES FOR THE ADVANCEMENT OF THE HEALTH CARE OBJECTIVES OF CHC AND THE MEDICAL CENTER AND/OR AFFILIATED NON-PROFIT 501(C)(3) ORGANIZATIONS THE CHAIRMAN OF CHC'S BOARD OF DIRE CTORS OR HIS/HER DESIGNEE, CHC'S PRESIDENT AND CEO, AND THE CHIEF FINANCIAL OFFICER OF THE MEDICAL CENTER SERVE AS EX OFFICIO DIRECTORS OF THE FOUNDATION THEY ALL THREE ARE COUNTE D FOR QUORUM PURPOSES AND HAVE THE RIGHTS AND PRIVILEGES OF OTHER DIRECTORS INCLUDING THE RIGHT TO VOTE ON ALL MATTERS PROPERLY BEFORE THE BOARD

Identifier	ReturnReference	Explanation
CRITERIA FOR DETERMINING ELIGIBILITY OF DISCOUNTED CARE	SCH H, PART V, LINE 10	---------- DURING THE YEAR ENDED 3/31/12, THE MEDICAL CENTER AT BOWLING GREEN AND THE MEDICAL CENTER AT SCOTTSVILLE discontinued providing discounted care for patients with incomes between 150% and 200% of the Federal Poverty level Instead, THE MEDICAL CENTER AT BOWLING GREEN AND MEDICAL CENTER AT SCOTTSVILLE UPDATED THEIR FINANCIAL ASSISTANCE POLICY TO PROVIDE FREE CARE FOR PERSONS AT OR BELOW 200% OF THE FEDERAL POVERTY LEVEL

Identifier	ReturnReference	Explanation
OTHER FACTORS USED IN DETERMINING AMOUNTS CHARGED TO PATIENTS	SCH H, PART V, LINE 11	---------- NUMBER IN HOUSEHOLD IS USED FOR DETERMINING FPL FOR COMPARISON TO REPORTED INCOME

Identifier	ReturnReference	Explanation
INDIVIDUALS ELIGIBLE FOR FINANCIAL ASSISTANCE	SCH H, PART VI, LINE 19	---------- THE HOSPITAL FACILITIES WROTE OFF 100% OF CHARGES TO FAP - ELIGIBLE INDIVIDUALS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

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

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

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

3 Enter total number of other organizations listed in the line 1 table . . . ▶

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS FOR STUDENTS AT WESTERN KY UNIVERSITY	2	8,484			

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 the Use of Grants	SCHEDULE I, PART I, LINE 2	---------- The hospital contributes directly to a scholarship program maintained within Western Kentucky University's College Heights Foundation The scholarship is made annually and is equivalent to the in-state tuition plus an allowance for books It may be awarded to either one student or divided between two students The scholarship is payable over two semesters Recipients must be beginning freshmen and must be graduates of Allen County High School, Scottsville, KY Recipients must be full-time students at Western Kentucky University applicants must complete a standard Western Kentucky University scholarship application no later than March 1 Recipients must have a cumulative GPA of at least 3 0 in the fall semester to receive the scholarship for the spring semester Awards are to be made in the form of a letter from the university scholarship committee, with the letter to contain appropriate recognition of the Medical Center at Scottsville, which is the name of the hospital's Scottsville, KY location Bowling Green Warren County Community Hospital Corporation, Inc is frequently asked to contribute to a variety of organizations and fund raising projects Because Bowling Green Warren County Community Hospital Corporation, Inc was established to support the healthcare mission of the non-profit Bowling Green Warren County Community Hospital Corporation and other non-profit affiliates of Commonwealth Health Corporation, it is the corporation's goal to be a supportive citizen and, when practical and possible, to make reasonable contributions which are beneficial to the community and parallel to our exempt purpose which focuses on the community's healthcare needs

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☑ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**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**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

Note. The sum of columns (B)(i)-(iii) 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) CONNIE SMITH	(i)	0	0	0	0	0	0	0
	(ii)	509,454	0	215,889	21,253	6,889	753,485	0
(2) SARAH MOORE	(i)	0	0	0	0	0	0	0
	(ii)	228,185	0	5,590	90,018	6,696	330,489	0
(3) BETSY KULLMAN	(i)	0	0	0	0	0	0	0
	(ii)	240,426	0	5,850	79,262	12,630	338,168	0
(4) BARBARA JEAN CHERRY	(i)	0	0	0	0	0	0	0
	(ii)	364,739	0	74,344	28,842	8,309	476,234	0
(5) RONALD G SOWELL	(i)	0	0	0	0	0	0	0
	(ii)	365,232	0	60,346	34,529	7,815	467,922	0
(6) DAVID REEVES	(i)	150,201	0	11,158	34,985	19,134	215,478	0
	(ii)	0	0	0	0	0	0	0
(7) WADE R STONE	(i)	184,544	0	2,133	7,948	17,660	212,285	0
	(ii)	0	0	0	0	0	0	0
(8) LLOYD ASP	(i)	191,426	0	6,337	61,702	12,280	271,745	0
	(ii)	0	0	0	0	0	0	0
(9) CURTIS BAKER	(i)	173,618	0	1,855	9,406	9,271	194,150	0
	(ii)	0	0	0	0	0	0	0
(10) EDDIE SCOTT	(i)	151,331	0	1,330	20,841	11,063	184,565	0
	(ii)	0	0	0	0	0	0	0
(11) ERIC HAGAN	(i)	181,421	0	7,274	15,480	19,730	223,905	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	---------- CERTAIN EXECUTIVES OF COMMONWEALTH HEATH CORPORATION PARTICIPATE IN A SUPPLEMENTAL RETIREMENT PLAN THE CURRENT YEAR INCREASE IN THE ACCRUED BENEFIT, AS ACTUARIALLY DETERMINED, IS REPORTED AS COMPENSATION THE FOLLOWING ARE THE INDIVIDUALS PARTICIPATING IN THE PLAN AND THE CURRENT YEAR INCREASES REPORTED AS COMPENSATION CONNIE SMITH $188,650 RONALD SOWELL $53,974 JEAN CHERRY $68,921

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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
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	COUNTY OF WARREN KENTUCKY	61-6000710	934864AA7	03-20-2008	77,010,000	SEE PART V		X		X		X
B	COUNTY OF WARREN KENTUCKY	61-6000710	934860BT3	03-15-2007	30,885,000	SEE PART V		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	0		
2	Amount of bonds defeased	0	0		
3	Total proceeds of issue	77,010,000	31,867,132		
4	Gross proceeds in reserve funds	4,826,038	2,133,000		
5	Capitalized interest from proceeds	0	0		
6	Proceeds in refunding escrow	0	0		
7	Issuance costs from proceeds	1,398,574	637,343		
8	Credit enhancement from proceeds	2,140,903	0		
9	Working capital expenditures from proceeds	26,469,520	0		
10	Capital expenditures from proceeds	0	0		
11	Other spent proceeds	42,174,965	29,096,790		
12	Other unspent proceeds	0	0		
13	Year of substantial completion	2010			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X			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?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X		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 ▶		0 040 %		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 ▶		0 060 %		0 130 %				
6	Total of lines 4 and 5		0 100 %		0 130 %				
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?	X			X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X			X				
b	Name of provider	DEUTCHE BANK		0					
c	Term of hedge		30						
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider	0		0					
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Procedures 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 VI Supplemental Information

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

Identifier	Return Reference	Explanation
BOND A - DESCRIPTION OF PURPOSE	SCH K, PART I, LINE A, COLUMN F	TO (1) REFUND THE OUTSTANDING PRINCIPAL AMOUNT OF THE ISSUER'S HOSPITAL REVENUE BONDS, SERIES 1998 (BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION) ISSUED ON JANUARY 15, 1998, (2) FINANCE THE COSTS OF MAJOR FACILITY ADDITIONS, INTERIOR RENOVATIONS, EQUIPMENT, AND FURNISHINGS AND SITE DEVELOPMENT AT THE MEDICAL CENTER AT BOWLING GREEN, (3) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS, (4) FUND INTEREST ON THE BONDS AND (5) PAY COSTS OF ISSUING THE BONDS
BOND B - DESCRIPTION OF PURPOSE	SCH K, PART I, LINE B, COLUMN F	TO (1) CURRENTLY REFUND VARIABLE RATE DEMAND HOSPITAL REVENUE BONDS, SERIES 2001 (BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION PROJECT) THAT WERE ISSUED ON AUGUST 2, 2001, (2) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS, AND (3) PAY COSTS OF ISSUING THE BONDS BONDS, AND (3) PAY COSTS OF ISSUING THE BONDS

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCH L, PART IV, COLUMN D	JOE NATCHER, DIRECTOR FOR BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION ("THE MEDICAL CENTER"), IS THE OWNER OF SOUTHERN FOODS, INC , A FOOD SERVICE DISTRIBUTOR SOUTHERN FOODS, INC SUPPLIES THE MEDICAL CENTER WITH FOOD AND RELATED ITEMS ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS RONALD SOWELL IS AN OFFICER OF THE MEDICAL CENTER MR SOWELL'S WIFE, DR DEBRA SOWELL, IS THE MEDICAL DIRECTOR OF GRAVES GILBERT CLINIC (GGC) THE MEDICAL CENTER LEASES PROPERTY TO GGC AND ALSO PURCHASES PHYSICIAN SERVICES FROM THEM ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS BARBARA JEAN CHERRY IS AN EXECUTIVE VICE PRESIDENT FOR THE MEDICAL CENTER MRS CHERRY'S SPOUSE IS THE CHIEF FINANCIAL OFFICER OF AIRGAS MID-AMERICA AIRGAS MID-AMERICA SUPPLIES MEDICAL GAS TO THE MEDICAL CENTER JEAN CHERRY DOES NOT PARTICIPATE IN THE NEGOTIATIONS OF CONTRACTS WITH AIRGAS MID-AMERICA AND ALL TRANSACTIONS ARE CONDUCTED ON AN ARM'S LENGTH BASIS DR KAL SAHETYA IS A DIRECTOR OF THE MEDICAL CENTER DR SAHETYA PERFORMED PROFESSIONAL SERVICES FOR THE MEDICAL CENTER ALL TRANSACTIONS ARE CONDUCTED ON ARMS LENGTH BASIS JOHN DESMARAIS SERVED AS A DIRECTOR OF THE MEDICAL CENTER MR DESMARAIS' DAUGHTER, ERIN DESMARAIS, IS EMPLOYED BY THE MEDICAL CENTER DONNA BLACKBURN SERVES AS A DIRECTOR OF THE MEDICAL CENTER MS BLACKBURN'S DAUGHTER-IN-LAW, STEPHANIE BLACKBURN, IS EMPLOYED BY THE MEDICAL CENTER ELI JACKSON SERVES AS A DIRECTOR OF THE MEDICAL CENTER MR JACKSON'S WIFE, KIMBERLY JACKSON, IS EMPLOYED BY THE MEDICAL CENTER THE MEDICAL CENTER ALSO RENTS SPACE FROM ELI AND KIMBERLY JACKSON FOR THE MEDICAL CENTER'S WELLNESS CENTER ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS SARAH MOORE SERVES AS AN OFFICER OF THE MEDICAL CENTER MRS MOORE'S HUSBAND, RONNIE MOORE, IS EMPLOYED BY THE MEDICAL CENTER

Additional Data

Software ID:
Software Version:
EIN: 61-0920842
Name: BOWLING GREEN WARREN COUNTY COMM HOSP

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
SOUTHERN FOODS INC	JOE NATCHER, OWNER OF SFI	377,441	FOOD SERVICE - SEE PART V		No
GRAVES GILBERT CLINIC	RON SOWELL, OFFICER	18,000	LEASING - SEE PART V		No
GRAVES GILBERT CLINIC	RON SOWELL, OFFICER	43,085	PHYSICIAN SERVICES-SEE PT V		No
AIRGAS MID-AMERICA	B JEAN CHERRY, OFFICER	199,100	MEDICAL SUPPLIES - SEE PT V		No
KAL SAHETYA	DIRECTOR	14,380	LEASING - SEE PART V		No
KIMBERLY JACKSON	ELI JACKSON, DIRECTOR	9,601	COMP OF WIFE - SEE PART V		No
KIMBERLY JACKSON	ELI JACKSON, DIRECTOR	20,967	LEASING - SEE PART V		No
ERIN DEMARAIS	JOHN DEMARAIS, DIRECTOR	40,366	COMP OF DAUGHTER - SEE PT V		No
STEPHANIE BLACKBURN	DONNA BLACKBURN, DIRECTOR	48,502	COMP OF DTR-IN-LAW - SEE PT V		No
RONNIE MOORE	SARAH MOORE, OFFICER	22,193	COMP OF HUSBAND - SEE PT V		No

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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
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	---------- ORGANIZATION ---------- BOWLING GREEN - WARREN COUNTY COMMUNITY HOSPITAL CORPORATION, DBA THE MEDICAL CENTER ("THE MEDICAL CENTER"), A KENTUCKY NON-STOCK, NON-PROFIT CORPORATION EXEMPT FROM INCOME TAXES UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986, WAS ESTABLISHED TO ACT AND OPERATE EXCLUSIVELY FOR CHARITABLE PURPOSES SERVING THE LOCAL CITY, COUNTY AND SURROUNDING COUNTIES IN SOUTH-CENTRAL KENTUCKY BEGUN IN 1926, THE MEDICAL CENTER HAS A RICH HERITAGE OF SERVING OUR COMMUNITY'S HEALTHCARE NEEDS AND BEING THE LEADER IN PROVIDING QUALITY CARE IN A TECHNOLOGICALLY ADVANCED SETTING THE MEDICAL CENTER IS LICENSED BY THE CABINET FOR HEALTH AND FAMILY SERVICES, COMMONWEALTH OF KENTUCKY, PURSUANT TO KRS CHAPTER 216B AND THE REGULATIONS PROMULGATED THEREUNDER OPERATING WITH CAMPUSES IN BOWLING GREEN, KY AND SCOTTSVILLE, KY, THE MEDICAL CENTER LICENSED BEDS INCLUDE BOWLING SCOTTS- GREEN VILLE TOTAL ----- ------ ----- ACUTE CARE 313 313 CRITICAL ACCESS ACUTE 25 25 PSYCHIATRIC 24 24 NURSING FACILITY 110 110 ------ ------ ----- SUBTOTAL - BEDS 337 135 472 SERVICES --------- THE MEDICAL CENTER IS PRIMARILY ENGAGED IN PROVIDING TO INPATIENTS, BY OR UNDER THE SUPERVISION OF PHYSICIANS, DIAGNOSTIC AND THERAPEUTIC SERVICES FOR MEDICAL DIAGNOSIS, TREATMENT, AND CARE OF INJURED, DISABLED, OR SICK PERSONS, OR REHABILITATION SERVICES FOR THE REHABILITATION OF INJURED, DISABLED, OR SICK PERSONS AS A HOSPITAL, IT MAINTAINS CLINICAL RECORDS ON ALL PATIENTS AND HAS BYLAWS IN EFFECT CONCERNING ITS STAFF OF PHYSICIANS IT REQUIRES THAT EVERY PATIENT MUST BE UNDER THE CARE OF A PHYSICIAN AND PROVIDES 24-HOUR NURSING SERVICE BY OR SUPERVISED BY A REGISTERED PROFESSIONAL NURSE, AND HAS A LICENSED PRACTICAL NURSE OR REGISTERED PROFESSIONAL NURSE ON DUTY AT ALL TIMES IT HAS IN EFFECT A HOSPITAL UTILIZATION REVIEW PLAN AND IS LICENSED OR IS APPROVED BY THE STATE OF KENTUCKY AS MEETING THE STANDARDS ESTABLISHED FOR SUCH LICENSING IT ALSO MEETS OTHER HEALTH AND SAFETY REQUIREMENTS OF THE SECRETARY OF HEALTH AND HUMAN SERVICES SERVICES OFFERED INCLUDE - ACUTE MEDICAL CARE - SKILLED MEDICAL CARE - INTENSIVE/CORONARY CARE - PHARMACY - INVASIVE CARDIOLOGY - PHYSICAL THERAPY - LABORATORY, CLINICAL AND PATHOLOGY - RADIATION MEDICINE (INPATIENT / OUTPATIENT ONCOLOGY) - HOME HEALTH SERVICES - SURGICAL INPATIENT SERVICES - SURGICAL OUTPATIENT SERVICES - EMERGENCY ROOM SERVICES - OUTPATIENT SERVICES - RESPIRATORY THERAPY SERVICES - RADIOLOGY, INCLUDING MAMMOGRAPHY, DIAGNOSTIC X-RAY, NUCLEAR MEDICINE, CAT SCANNING, ULTRASOUND, CARDIOLOGY, POSITRON EMISSION TOMOGRAPHY THE MEDICAL CENTER'S PROFESSIONAL STAFF INCLUDES PHYSICIANS WHO ARE ENGAGED IN THE PRACTICE OF MEDICINE AND WHO REPRESENT MULTIPLE SPECIALTIES, INCLUDING FAMILY PRACTICE AND EMERGENCY CARE. THE STAFF ALSO INCLUDES NURSES, PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPISTS, PSYCHOLOGISTS, RESPIRATORY THERAPISTS, NUTRITIONISTS AND OTHERS USING AN INTERDISCIPLINARY TEAM APPROACH, THE STAFF WORK COLLABORATIVELY TO PROVIDE PRIMARY OUTPATIENT CARE, RENDERED IN AN EMERGENCY ROOM AND OUTPATIENT SETTING, AND SECONDARY CARE CONSISTING OF INPATIENT SERVICES OF A GENERAL AND SPECIALIZED NATURE. COMMUNITY BENEFIT AND CHARITY ---------- AS A HOSPITAL, THE MEDICAL CENTER (1) IS ORGANIZED AS A NONPROFIT CHARITABLE ORGANIZATION FOR THE PURPOSE OF OPERATING AS A HOSPITAL FOR THE CARE OF THE SICK, (2) IS OPERATED FOR THE CARE OF ALL PERSONS IN THE COMMUNITY REGARDLESS OF ABILITY TO PAY THE COST THEREOF, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT, (3) WILL NOT RESTRICT USE OF ITS FACILITIES TO A PARTICULAR GROUP OF PHYSICIANS AND SURGEONS TO THE EXCLUSION OF ALL OTHER QUALIFIED DOCTORS, AND (4) WILL NOT PERMIT ANY OF ITS EARNINGS TO INURE DIRECTLY OR INDIRECTLY TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL THE MEDICAL CENTER PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES BECAUSE THE MEDICAL CENTER DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, REVENUE IS NOT RECORDED FOR SUCH SERVICES THE MEDICAL CENTER MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE THEY PROVIDE. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THEIR CHARITY CARE POLICY OTHER UNCOMPENSATED CARE RELATES PRINCIPALLY TO CONTRACTUAL ALLOWANCES FOR GOVERNMENT PAYERS, DISCOUNTS TAKEN BY COMMERCIAL PAYERS AND BAD DEBTS BENEFITS FOR THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES OR WHO ARE UNINSURED THIS INCLUDES TRADITIONAL CHARITY CARE AT STANDARD BILLING RATES AND THE COSTS OF TREATING MEDICAID BENEFICIARIES IN EXCESS OF GOVERNMENT PAYMENTS THE MEDICAL CENTER DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO BE TRADITIONAL CHARITY CARE. THEREFORE, THESE AMOUNTS ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUE. BENEFITS FOR THE BROADER COMMUNITY INCLUDE SERVICES PROVIDED TO OTHER NEEDY INDIVIDUALS WHO MAY NOT QUALIFY AS INDIGENT BUT WHO NEED SPECIAL SERVICES AND SUPPORT EXAMPLES INCLUDE THE ELDERLY, SUBSTANCE ABUSERS, VICTIMS OF CHILD ABUSE, AND THE DISABLED THEY ALSO INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION, HEALTH CLINICS AND SCREENINGS, AND THE UNREIMBURSED COST OF MEDICAL TRAINING, WHICH BENEFIT THE BROADER COMMUNITY IN ADDITION TO THE ABOVE, THE MEDICAL CENTER PROVIDES A WIDE RANGE OF COMMUNITY BENEFITS INCLUDING COORDINATION OF CHARITABLE ACTIVITIES BY THE MEDICAL CENTER STAFF AND PROVIDING MEDICAL CENTER SPACE FOR COMMUNITY GROUPS THAT CANNOT BE QUANTIFIED SIGNIFICANT PROGRAM SERVICE ACHIEVEMENTS DAYS OF ACUTE PATIENT CARE (INCLUDING NURSERY) 96,876 DAYS OF SKILLED NURSING CARE 38,642 BIRTHS 2,343 OPEN HEART PROCEDURES 341 SURGERIES 14,058 EMERGENCY ROOM VISITS 54,949 AMBULANCE RUNS 19,459
MEMBERS OF THE ORGANIZATION	FORM 990, PART VI, SECTION A, LINE 6 & 7	---------- ARTICLE 2 OF THE BYLAWS IDENTIFIES COMMONWEALTH HEALTH CORPORATION BOARD OF DIRECTORS AS THE MEMBER ARTICLE 2 OF THE BYLAWS SAYS THE MEMBER SHALL APPOINT A NOMINATING COMMITTEE WHICH SHALL MEET AND DESIGNATE NOMINEES FOR ALL POSITIONS TO BE FILLED BY APPOINTMENT BY THE MEMBER
REVIEW OF FORM 990	FORM 990, PART VI, SECTION B, LINE 11	---------- FORM 990 IS PLACED ELECTRONICALLY ON A COMPANY WEBSITE USED TO SHARE INFORMATION WITH BOARD MEMBERS EACH BOARD MEMBER IS PROVIDED ACCESS TO THIS WEBSITE AND IS ASKED TO REVIEW FORM 990 PRIOR TO A DESIGNATED DATE ON WHICH THE RETURN WILL BE FILED AT LEAST TWO WEEKS OF ADVANCE NOTICE IS GIVEN TO BOARD MEMBERS SO THEY MAY REVIEW THE RETURN
MONITORING THE CONFLICT ON INTEREST POLICY	FORM 990, Part VI, SECTION B, LINE 12c	---------- THE COMMONWEALTH HEALTH CORPORATION (CHC) (APPLICABLE TO THE CORPORATION AND/OR ITS AFFILIATES) CODE OF CONDUCT EXPLICITLY STATES MEMBERS OF THE BOARD, ADMINISTRATION, THE MEDICAL STAFF AND ALL EMPLOYEES ARE EXPECTED TO AVOID CONFLICTS OF INTEREST FURTHER, IT REQUIRES DISCLOSURE OF ANY POTENTIAL CONFLICTS OF INTEREST IN A TIMELY MANNER ALL INDIVIDUALS SIGN AN ACKNOWLEDGEMENT UPON EMPLOYMENT THAT THEY HAVE RECEIVED A COPY OF THE CODE OF CONDUCT, ARE FAMILIAR WITH ITS CONTENT AND UNDERSTAND THEIR RESPONSIBILITIES TO AVOID NON-COMPLIANT ACTIVITY CHC'S REGULATORY COMPLIANCE COMMITTEE (RCC) REVIEWS AND APPROVES ALL CONTRACTS FOR CHC AND/OR ITS AFFILIATES THE REVIEW IS DESIGNED TO IDENTIFY POTENTIAL CONFLICTS OF INTEREST BY BOARD MEMBERS AND/OR OFFICERS RCC MEMBERS ARE PROHIBITED FROM TAKING PART IN DECISIONS REGARDING TRANSACTIONS WITH WHICH HE/SHE HAS A CONFLICT OF INTEREST ANNUALLY, WRITTEN INQUIRY IS MADE BY QUESTIONNAIRE OF BOARD MEMBERS AND OFFICERS SEEKING DISCLOSURE OF CONFLICTS OF INTEREST OR INFORMATION THAT RELATES TO FAMILY MEMBERS TRANSACTIONS ARISING ARE REVIEWED BY MANAGEMENT AS THEY OCCUR
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, LINES 15A AND 15B	---------- COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER IS SET BY THE REGULATORY COMPLIANCE COMMITTEE (RCC) OF THE BOARD OF DIRECTORS COMPENSATION FOR OFFICERS OF THE CORPORATION IS REVIEWED BY THE SAME COMMITTEE. THE RCC RETAINS AN INDEPENDENT CONSULTANT TO CONDUCT ANNUAL SURVEYS OF COMPENSATION FOR SIMILAR POSITIONS IN THE HEALTHCARE INDUSTRY AND USES ITS REPORT IN ITS COMPENSATION DECISION
MAKING DOCUMENTS AVAILABLE TO THE PUBLIC	FORM 990, PART VI, LINE 19	---------- DOCUMENTS ARE MADE AVAILABLE IF REQUIRED AND IN THE MANNER REQUIRED BY GOVERNING AGENCY OR BOND AUTHORITY
RECONCILIATION OF NET ASSETS	FORM 990, PART XI, LINE 5	---------- OTHER CHANGES IN NET ASSETS CHANGE IN FAIR VALUE OF INTEREST RATE SWAP ($5,749,415) CHANGE IN MINIMUM PENSION LIABILITY ($14,276,284) TRANSFER FROM AFFILIATES $267,017 UNREALIZED LOSSES ($1,167,320) ROUNDING $18 ---------- ($20,925,984)
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CONNIE SMITH TITLE DIRECTOR & PRESIDENT/CEO HOURS 48
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SARAH MOORE TITLE EXECUTIVE VICE PRESIDENT HOURS 48
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BETSY KULLMAN TITLE CNO/EXECUTIVE VICE PRESIDENT HOURS 48
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BARBARA JEAN CHERRY TITLE CIO/EXECUTIVE VICE PRESIDENT HOURS 48
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RONALD G SOWELL TITLE CFO/EXECUTIVE VICE PRESIDENT HOURS 49

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMM HOSP

Employer identification number
61-0920842

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) MEDICAL CENTER PHARMACY OF BOWLING GREEN 800 PARK STREET BOWLING GREEN, KY 42101 06-1778164	PHARMACY	KY	3,974,853	1,387,539	NA
(2) MEDICAL CENTER EMS LLC 800 PARK STREET BOWLING GREEN, KY 42101 56-2332847	EMERG MED SVC	KY	5,424,908	768,352	NA
(3) BLUEGRASS OUTPATIENT CTR OF BOWLING GRN 800 PARK STREET BOWLING GREEN, KY 42101 26-3564003	OUTPATIENT	KY		0	NA

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) THE MEDICAL CENTER AT FRANKLIN INC 800 PARK STREET BOWLING GREEN, KY 42101 61-1362001	HOSPITAL	KY	501(C)(3)	3	CHC INC		No
(2) COMMONWEALTH HEALTH CORPORATION INC 800 PARK STREET BOWLING GREEN, KY 42101 31-1118087	SUPPORT	KY	501(C)(3)	9	NA		No
(3) COMMONWEALTH REGIONAL SPECIALTY HOSPITAL 800 PARK STREET BOWLING GREEN, KY 42101 54-2142034	HOSPITAL	KY	501(C)(3)	3	CHC INC		No
(4) COMMONWEALTH HEALTH FREE CLINIC INC 800 PARK STREET BOWLING GREEN, KY 42101 61-1292739	HEALTHCARE	KY	501(C)(3)	3	CHC INC		No
(5) COMMONWEALTH HEALTH FOUNDATION INC 800 PARK STREET BOWLING GREEN, KY 42101 61-1362000	SUPPORT	KY	501(C)(3)	7	CHC INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) URGENTCARE PROPERTIES 800 PARK STREET BG, KY 42101 61-1197268	REAL ESTATE	KY	NA	N/A				No	0		No	
(2) MEDICAL PLAZA PARTNERS LTD 800 PARK STREET BG, KY 42101 61-1080340	REAL ESTATE	KY	BGWCCHC	RELATED	265,180	569,362		No	0		No	92 260 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) URGENTCARE OF BOWLING GREEN INC 800 PARK STREET BOWLING GREEN, KY 42101 61-1035393	HEALTHCARE	KY	NA	c			

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) COMMONWEALTH HEALTH CORPORATION		29,638,000	FMV
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

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

Accountants' Report and Consolidated Financial Statements

March 31, 2012 and 2011

BKD LLP
CPAs & Advisors

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

Consolidated Financial Statements

Years Ended March 31, 2012 and 2011

Contents

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Independent Accountants' Report on Consolidated Financial Statements and Supplementary Information

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

We have audited the accompanying consolidated balance sheets of Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center (Medical Center) as of March 31, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These consolidated financial statements are the responsibility of the Medical Center's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center as of March 31, 2012 and 2011, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements as a whole The community benefit care information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it

BKD, LLP

July 17, 2012

Priority

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

Consolidated Balance Sheets

	March 31 2012	March 31 2011
Assets		
Current assets		
Cash and cash equivalents	$ 8,964,760	$ 8,052,845
Patient accounts receivable, net of allowance, 2012 – $17,800,000, 2011 – $14,900,000	37,688,660	28,483,462
Inventories	7,067,741	5,986,354
Prepaid expenses and other current assets	9,302,634	7,761,408
Current portion of assets limited as to use	3,529,267	3,133,782
Total current assets	66,553,062	53,417,851
Assets limited as to use	140,351,367	126,732,965
Property and equipment – net	98,499,804	100,289,452
Other assets		
Deferred financing charges, net	3,012,261	3,268,192
Long-term receivables	1,246,828	2,016,049
Other assets	4,145,277	2,619,777
Total other assets	8,404,366	7,904,018
Total assets	$ 313,808,599	$ 288,344,286
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 8,637,795	$ 5,017,373
Accrued salaries and withholdings	3,306,640	4,895,689
Accrued vacation	6,622,288	6,103,234
Accrued expenses	5,677,313	4,006,905
Amounts due to Medicare and Medicaid – estimated	2,825,841	3,416,764
Current portion of long-term debt	5,246,936	5,299,881
Total current liabilities	32,316,813	28,739,846
Amounts due to affiliated companies	1,826,053	1,796,262
Other long-term liabilities		
Interest rate swap agreement	10,318,435	4,569,020
Pension	39,545,609	22,688,943
Other long-term liabilities	2,169,745	248,304
Total other long-term liabilities	52,033,789	27,506,267
Long-term debt, less current portion	100,529,467	105,865,888
Net assets		
Unrestricted net assets	125,623,180	122,982,366
Permanently restricted net assets	1,479,297	1,453,657
Total net assets	127,102,477	124,436,023
Total liabilities and net assets	$ 313,808,599	$ 288,344,286

See accompanying notes to the consolidated financial statements

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

Consolidated Statements of Operations and Changes in Net Assets

	Years Ended March 31 2012	2011
Unrestricted revenue		
Net patient service revenue	$ 292,727,850	$ 265,385,235
Other revenue	16,301,502	16,096,795
Total unrestricted revenue	309,029,352	281,482,030
Operating expenses		
Employee compensation	89,818,284	86,508,393
Payroll taxes and employee benefits	32,716,174	26,637,320
Professional fees	41,338,990	36,486,976
Provision for bad debts	15,815,651	12,449,800
Supplies and expenses	79,467,357	73,250,576
Depreciation and amortization	12,484,184	14,059,082
Interest	4,610,568	4,854,511
Provider tax	4,008,108	4,004,659
Other expenses	9,932,805	8,894,129
Total expenses	290,192,121	267,145,446
Income from operations	18,837,231	14,336,584
Nonoperating (losses) gains		
Change in fair value of interest rate swap agreement	(5,749,415)	(1,072,325)
Investment return	3,562,265	5,453,796
Total nonoperating (losses) gains	(2,187,150)	4,381,471
Excess of revenue over expenses	16,650,081	18,718,055

Continued on next page

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

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

	Years Ended March 31	
	2012	2011
Unrestricted net assets		
Excess of revenue over expenses	$ 16,650,081	$ 18,718,055
Transfer from affiliates	267,017	-
Change in defined benefit pension plan gains and losses and prior service costs	(14,276,284)	(997,181)
Increase in unrestricted net assets	2,640,814	17,720,874
Permanently restricted net assets		
Investment return	25,640	100,723
Increase in permanently restricted net assets	25,640	100,723
Increase in net assets	2,666,454	17,821,597
Net assets, beginning of year	124,436,023	106,614,426
Net assets, end of year	$ 127,102,477	$ 124,436,023

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

Consolidated Statements of Cash Flows

	Years Ended March 31 2012	2011
Operating activities and nonoperating (losses) gains		
Change in net assets	$ 2,666,454	$ 17,821,597
Adjustments to reconcile change in net assets to net cash provided by operating activities and nonoperating (losses) gains		
Depreciation and amortization	12,484,184	14,059,082
Provision for bad debts	15,815,651	12,449,800
Change in fair value of interest rate swap agreement	5,749,415	1,072,325
Change in defined benefit pension plan gains and losses and prior service costs	14,276,284	997,181
Loss (gain) on disposal of property and equipment	130,173	(69,344)
Transfer from affiliates	(267,017)	-
Other changes in operating assets and liabilities		
Increase in patient accounts receivable	(25,020,849)	(12,019,588)
Increase in investments	(14,013,887)	(21,522,256)
Increase in inventories	(1,081,387)	(376,070)
Increase in other assets	(3,066,726)	(5,209,761)
Increase (decrease) in accounts payable and accrued expenses	6,170,674	(1,292,063)
Increase in pension	2,580,382	3,919,957
(Decrease) increase in amounts due to Medicare and Medicaid – estimated	(590,923)	2,499,033
Increase in amounts due to affiliated companies	29,791	553,860
Net cash provided by operating activities and nonoperating (losses) gains	15,862,219	12,883,753
Investing activities		
Purchases of property and equipment	(10,806,219)	(12,372,147)
Proceeds from sale of property and equipment	169,758	310,559
Decrease in long-term receivables	769,221	2,218,507
Net cash used in investing activities	(9,867,240)	(9,843,081)
Financing activities		
Repayments of long-term debt	(5,350,081)	(5,590,151)
Transfers from affiliates	267,017	-
Net cash used in financing activities	(5,083,064)	(5,590,151)
Increase (decrease) in cash and cash equivalents	911,915	(2,549,479)
Cash and cash equivalents at beginning of year	8,052,845	10,602,324
Cash and cash equivalents at end of year	$ 8,964,760	$ 8,052,845
Noncash transactions		
Property and equipment included in accounts payable	$ 156,985	$ 185,383

See accompanying notes to the consolidated financial statements

Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center
Notes to Consolidated Financial Statements
March 31, 2012 and 2011

1. Organization and Accounting Policies

Nature or Operations and Organization

The consolidated financial statements include the accounts of Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center, Medical Plaza Partners Ltd (MPP), Medical Center EMS, LLC and Medical Center Pharmacy of Bowling Green, LLC (collectively, the Medical Center), four of the organizations controlled by Commonwealth Health Corporation, Inc (Corporation), a nonprofit organization The Corporation (parent) operates certain other organizations which conduct business with the Medical Center (see Note 8) The Medical Center, with operations in Bowling Green and Scottsville, Kentucky, provides inpatient, outpatient, emergency care services and long-term care services primarily for residents located in South Central Kentucky

Principles of Consolidation

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

Use of Estimates

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

Cash and Cash Equivalents

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

Patient Accounts Receivable

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

1. Organization and Accounting Policies (continued)

Inventories

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

Assets Limited as to Use

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

Unrestricted resources which are designated by the board of directors for special uses and depreciation reserve funds are reported as assets limited as to use The Medical Center's policy is to fund depreciation as cash is available Amounts so funded are intended for the replacement, expansion or improvement of the Medical Center's facilities

Funds on deposit with trustees in connection with various bond indentures are to be used only for interest, retiring indebtedness or capital expenditures as specified by the various bond indenture agreements Amounts required to meet current liabilities of the Medical Center are reported as current assets in the consolidated balance sheets at March 31, 2012 and 2011

Property and Equipment

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

1. Organization and Accounting Policies (continued)

Long-Lived Asset Impairment

The Medical Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value No asset impairment was recognized during the years ended March 31, 2012 and 2011

Deferred Financing Costs

The Medical Center's policy is to amortize deferred financing costs ratably over the life of the bonds Accumulated amortization was approximately $1,097,000 and $841,000 as of March 31, 2012 and 2011, respectively

Permanently Restricted Net Assets

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

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

Net Patient Service Revenue

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

Operating Activities and Nonoperating Gains (Losses)

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

1. Organization and Accounting Policies (continued)

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue The Medical Center's direct and indirect costs for services furnished under its charity care policy aggregated approximately $14,909,000 and $14,133,000 in 2012 and 2011, respectively The Medical Center has received approximately $3,132,000 and $3,366,000, respectively, from an uncompensated care fund to subsidize charity services provided under its charity care policy

Excess of Revenue Over Expenses

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

Functional Expenses

The Medical Center's general and administrative costs represented approximately 9% of total expenses for each of the years ended March 31, 2012 and 2011, respectively

Income Tax Status

Most of the income received by the Medical Center is exempt from taxation under Section 501(a) of the Internal Revenue Code Some of its income is subject to taxation as unrelated business income The Medical Center files federal income tax returns, as well as an income tax return in Kentucky The Medical Center is no longer subject to U S federal income tax examinations by tax authorities for years before 2009

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

The Medical Center does not have any uncertain tax positions recognized for 2012 or 2011

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

1. Organization and Accounting Policies (continued)

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under the Medicare program are generally made for up to four years based on a statutory formula Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program

The Medical Center recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period

In 2012 and 2011, the Medical Center completed the first-year requirements under the Medicaid program and recorded revenue of approximately $320,000 and $1,500,000, respectively, which is included in other revenue within operating revenues in the statement of operations and changes in net assets The Medical Center had not met the requirements for the first-year payment under the Medicare program as of March 31, 2012

Reclassifications

Certain reclassifications have been made to the 2011 consolidated financial statements to conform to the 2012 financial statement presentation These reclassifications had no effect on the change in net assets

2. Net Patient Service Revenue

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

Inpatient medical and surgical acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Medicare payments for home health and most hospital outpatient services are made based upon the patient's diagnosis Long-term care services are reimbursed based on prospectively determined rates Medicare revenue was approximately 34% of net patient service revenue for the years ended March 31, 2012 and 2011

The Medicaid program reimburses the Medical Center on a prospectively determined rate per patient day for inpatient services and on the basis of cost, as defined, for outpatient, home health and long-term care services Medicaid revenue was approximately 5% of net patient service revenue for the years ended March 31, 2012 and 2011

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

The Medical Center's excess of revenue over expenses increased (decreased) by approximately $1,725,000 and $(79,000) in fiscal years 2012 and 2011, respectively, as a result of changes in estimated settlements payable to Medicare and Medicaid

The Commonwealth of Kentucky (Commonwealth) imposes a tax on health care providers The Commonwealth also provides for a system of reimbursement for services provided to certain Medicaid patients and other patients meeting specified income guidelines Provider tax expense for the years ended March 31, 2012 and 2011, was approximately $4,008,000 and $4,005,000, respectively Net patient service revenue includes approximately $3,132,000 and $3,366,000 of reimbursement for indigent care provided for the years ended March 31, 2012 and 2011, respectively

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

Blue Cross revenue was approximately 18% and 19% of net patient service revenue for the years ended March 31, 2012 and 2011, respectively Center Care was approximately 17% and 15% of net patient service revenue for the years ended March 31, 2012 and 2011, respectively

3. Investments and Investment Return

Assets limited as to use at March 31 include

	2012	2011
Restricted under bond indenture agreements		
Cash and cash equivalents	$ 5,749,207	$ 7,854,783
Guaranteed investment contract	4,826,038	4,826,038
	10,575,245	12,680,821
Designated by board for replacement, expansion and improvement of facilities		
Cash and cash equivalents	10,063,042	15,434,246
Equity securities	23,545,328	16,924,101
Mutual funds – large cap U S companies	7,603,889	9,101,031
Mutual funds – mid and small cap U S companies	3,247,653	3,427,047
Mutual funds – emerging markets	5,217,437	3,643,903
Government agency obligations	69,687,763	67,201,941
Corporate bonds and notes	12,460,980	-
	131,826,092	115,732,269
Permanently restricted by donor		
Beneficial interest in a perpetual trust	1,479,297	1,453,657
	143,880,634	129,866,747
Less amount required to meet current obligations	3,529,267	3,133,782
	$140,351,367	$126,732,965

Total investment return is comprised of the following

	2012	2011
Interest and dividend income	$ 3,129,921	$ 1,951,094
Realized gains on trading securities	1,625,304	1,391,366
Net unrealized (losses) gains on trading securities	(1,167,320)	2,212,059
	$ 3,587,905	$ 5,554,519

3. Investments and Investment Return (continued)

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

	2012	2011
Unrestricted net assets		
Nonoperating gains	$ 3,562,265	$ 5,453,796
Permanently restricted net assets	25,640	100,723
	$ 3,587,905	$ 5,554,519

4. Property and Equipment

Property and equipment consist of the following at March 31

	2012	2011
Land and land improvements	$ 12,808,193	$ 12,714,630
Buildings	136,347,447	134,606,652
Equipment	141,411,957	138,339,967
Construction in process	173,097	316,210
	290,740,694	285,977,459
Less accumulated depreciation and amortization	192,240,890	185,688,007
	$ 98,499,804	$ 100,289,452

FASB Accounting Standards Codification Topic 410 clarified when an entity is required to recognize a liability for a conditional asset retirement obligation Management has considered Topic 410, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties Management believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the Medical Center may settle the obligations is unknown and cannot be estimated As a result, as of March 31, 2012, the Medical Center cannot reasonably estimate a liability related to these potential asset retirement activities

5. Long-Term Debt

Long-term debt consists of the following at March 31

	2012	2011
The County of Warren, Kentucky, Hospital Revenue Bonds, Series 2008, dated March 20, 2008 (A)	$ 70,980,000	$ 73,490,000
The County of Warren, Kentucky, Hospital Refunding Revenue Bonds, Series 2007A, dated March 15, 2007 (B)	27,185,000	27,955,000
Construction Promissory Note, due September 2026, payable $38,267 monthly including interest at 6 65%, secured by certain real property (C)	4,171,444	4,375,868
Other long-term debt (C)	2,654,253	4,519,910
	104,990,697	110,340,778
Plus unamortized bond premium	785,706	824,991
Less current portion	5,246,936	5,299,881
	$100,529,467	$105,865,888

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

The Series 2008 Bonds, which amortize over 29 years, require the Medical Center to make periodic interest payments with varying principal payments beginning in fiscal year 2010 The interest rate is adjusted weekly and is based on remarketing efforts (0 29% and 0 32% at March 31, 2012 and 2011, respectively) With the approval of the bond issuer, the Medical Center may convert the Series 2008 Bonds to a fixed interest rate The Series 2008 Bonds are subject to optional redemption by the Medical Center

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

5. Long-Term Debt (continued)

In connection with the issuance of the Series 2008 Bonds, the Medical Center entered into an interest rate swap agreement for interest rate management purposes Under the terms of this interest rate swap agreement, the Medical Center pays a fixed rate of 3 269% and receives a floating rate based upon 70% of the one-month LIBOR rate thereafter on notional amounts of $70,980,000 and $73,490,000 at March 31, 2012 and 2011, respectively The agreement will expire on April 1, 2037 This swap was not designated as a cash flow hedge for accounting purposes and as such changes in the fair value of the swap are recorded as nonoperating gains or losses in the consolidated statements of operations and changes in net assets The Medical Center recorded losses of $5,749,415 and $1,072,325 related to this swap agreement for the years ended March 31, 2012 and 2011, respectively, which is included in the change in fair value of interest rate swap agreements in the consolidated statements of operations and changes in net assets The interest differential to be paid or received under this swap agreement is accrued and recognized as an adjustment to interest expense The Medical Center has recognized a liability of $10,318,435 and $4,569,020 at March 31, 2012 and 2011, which is included in the interest rate swap agreement liability in the consolidated balance sheets

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

The Series 2007A Bonds, which amortize over 25 years, require the Medical Center to make periodic interest payments with varying principal payments beginning in fiscal year 2008 The interest rate on the bonds varies from 4 00% to 5 00% The Series 2007A Bonds maturing on or prior to fiscal year 2018 are not subject to optional redemption prior to their respective maturities The Series 2007A Bonds maturing on or after fiscal year 2019 are subject to optional redemption by the Medical Center

Under the terms of the Series 2008 and 2007A Bonds, the Medical Center has agreed to certain covenants which, among other things, require the establishment of a debt service fund, limit additional indebtedness and guarantees and require the Medical Center to maintain specified financial ratios and minimum days cash on hand At March 31, 2012, the Medical Center was in compliance with such requirements

(C) The remaining long-term debt consists primarily of a construction promissory note, equipment promissory notes and various capital leases at interest rates varying from 3 5% to 7 5%, due through August 2017, collateralized by certain real property and equipment

5. Long-term Debt (continued)

Aggregate future principal maturities of long-term debt were as follows at March 31, 2012

2013	$ 5,246,936
2014	4,119,578
2015	4,152,299
2016	4,335,343
2017	4,510,534
Thereafter	82,626,007
	$104,990,697

Cash paid for interest during the years ended March 31, 2012 and 2011, was approximately $4,620,000 and $4,860,000, respectively The Medical Center capitalized $0 and $78,000 in interest expense in 2012 and 2011, respectively

6. Operating Leases

The Medical Center has entered into various operating lease agreements primarily for the use of medical equipment Future minimum annual rental payments for leases with terms in excess of one year as of March 31, 2012, are as follows

2013	$ 556,663
2014	416,639
2015	406,871
2016	174,933
2017	18,000
	$ 1,573,106

Total rental expense for all lease agreements was approximately $2,166,000 and $2,229,000 for the years ended March 31, 2012 and 2011, respectively

7. Employee Benefit Plans

Substantially all of the Medical Center's employees hired before June 30, 2009, are covered by the Corporation's defined benefit pension plan. Plan benefits are based upon a career average benefit formula. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Pension expense allocated to the Medical Center was approximately $5,708,000 and $5,027,000 for the years ended March 31, 2012 and 2011, respectively. The Medical Center decreased unrestricted net assets by $14,276,284 and $997,181 related to the defined benefit pension plan for the years ended March 31, 2012 and 2011, respectively. The Corporation uses a March 31 measurement date for its defined benefit pension plan.

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

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

	2012	2011
Net pension cost includes the following components		
Service cost-benefits earned during the year	$ 5,967,616	$ 5,558,245
Interest cost on projected benefit obligation	6,210,996	5,724,823
Actual return on plan assets	(6,354,079)	(5,985,092)
Amortization and deferral of net gain	2,177,527	1,793,987
Total pension expense	$ 8,002,060	$ 7,091,963

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

	2012	2011
Change in benefit obligation		
Benefit obligation at beginning of year	$103,322,671	$ 93,243,859
Service cost	5,967,616	5,558,245
Interest cost	6,210,996	5,724,823
Actuarial loss	13,728,661	2,588,331
Benefits paid	(6,521,078)	(3,792,587)
Benefit obligation at end of year	122,708,866	103,322,671

7. Employee Benefit Plans (continued)

	2012	2011
Change in plan assets		
Fair value of plan assets at beginning of year	$ 80,633,728	$ 75,472,054
Actual return on plan assets	3,628,929	5,782,255
Employer contributions	5,421,678	3,172,006
Benefits paid	(6,521,078)	(3,792,587)
Fair value of plan assets at end of year	83,163,257	80,633,728
Funded status	$(39,545,609)	$(22,688,943)

The funded status of the plan is included in other long-term liabilities in the accompanying consolidated balance sheets The accumulated benefit obligation was approximately $97,087,000 and $81,445,000 at March 31, 2012 and 2011, respectively

Included in accumulated other unrestricted net assets at March 31, 2012 and 2011, are the following amounts that have not yet been recognized in net periodic pension cost net loss of $43,483,418 and $28,993,477 and unrecognized prior service costs of $784,739 and $998,396, respectively The net loss and prior service cost expected to be recognized during the fiscal year ending March 31, 2013, is approximately $2,953,000 and $214,000, respectively

The net loss recognized in the change in defined benefit pension plan gains and losses and prior service costs included in changes in unrestricted net assets was $14,489,941 and $1,210,838 for the years ended March 31, 2012 and 2011, respectively The net prior service cost recognized in the change in defined benefit pension plan gains and losses and prior service costs included in change in unrestricted net assets was $213,657 for the years ended March 31, 2012 and 2011

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

	2012	2011
Projected benefit obligation	$122,708,866	$103,322,671
Accumulated benefit obligation	$ 97,087,425	$ 81,445,343
Fair value of plan assets	$ 83,163,257	$ 80,633,728

7. Employee Benefit Plans (continued)

Significant assumptions include

	2012	2011
Weighted-average assumptions used to determine benefit obligations		
Discount rate	5 24%	6 10%
Rate of compensation increase	4 00%	4 00%
Weighted-average assumptions used to determine benefit costs		
Discount rate	6 10%	6 30%
Expected return on plan assets	8 00%	8 00%
Rate of compensation increase	4 00%	4 00%

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

Plan assets are invested in 4 5% and 4 8% of money market mutual funds, 42 1% and 43 1% of equity securities, 25 4% and 26 1% of corporate bonds and notes and 28 0% and 26 0% of government agency obligations at March 31, 2012 and 2011, respectively

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

The Corporation expects to contribute approximately $6 2 million to its pension plan in 2013

Pension Plan Assets

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

7. Employee Benefit Plans (continued)

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

The fair value of the Corporation's pension plan assets at March 31, 2012 and 2011, by asset class are as follows:

	2012			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 3,734,156	$ 3,734,156	$ -	$ -
Equity securities	$ 16,578,792	$ 16,578,792	$ -	$ -
Mutual funds (A)	$ 18,414,986	$ 18,414,986	$ -	$ -
Corporate bonds and notes	$ 21,095,506	$ -	$ 21,095,506	$ -
Government agency obligations	$ 23,339,817	$ -	$ 23,339,817	$ -

7. Employee Benefit Plans (continued)

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

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

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

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

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

2013	$ 6,286,859
2014	$ 6,074,014
2015	$ 7,098,358
2016	$ 8,102,281
2017	$ 9,036,272
2018 through 2022	$ 55,564,982

7. Employee Benefit Plans (continued)

The Medical Center participates in the Corporation's defined contribution pension plan which covers substantially all employees hired after June 30, 2009. The Medical Center makes matching contributions of 50% of employee deferral amounts on the first 6% of eligible compensation. The Medical Center may also make discretionary matching contributions as determined by the Corporation's board of directors for eligible employee voluntary contributions. Pension expense was $206,317 and $43,969 for 2012 and 2011, respectively.

8. Related-Party Transactions

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

At March 31, 2012 and 2011, the Medical Center had receivables from the Corporation of approximately $1,064,000 and $1,896,000, respectively.

The Medical Center has recorded revenue of approximately $2,922,000 and $2,737,000 in 2012 and 2011, respectively, related to services provided and interest assessed to the affiliated companies. The Medical Center also purchased management and other services from the Corporation which totaled approximately $29,638,000 and $28,796,000 in 2012 and 2011, respectively. Such expenses are included in operating expenses in the accompanying consolidated financial statements. Amounts due to affiliates include approximately $1,817,000 and $1,787,000 at March 31, 2012 and 2011, respectively, for management and other services purchased.

9. Concentrations of Credit Risk

Patient Accounts Receivable

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

	2012	2011
Medicare	29%	29%
Medicaid	14%	6%
Blue Cross	13%	18%
Center Care	12%	7%
Other third-party payers	9%	11%
Patients	23%	29%
	100%	100%

9. Concentrations of Credit Risk (continued)

Bank Balances

The Medical Center's cash accounts at March 31, 2012, consist of noninterest-bearing transaction accounts Pursuant to legislation enacted in 2010, the Federal Deposit Insurance Corporation (FDIC) fully insures all noninterest-bearing transaction accounts beginning December 31, 2010, through December 31, 2012, at all FDIC-insured institutions

10. Medical Malpractice and General Liability Insurance

Prior to August 1, 2002, the Medical Center was insured for medical malpractice losses through claims-made policies and recorded an estimated reserve for deductibles for outstanding claims Effective August 1, 2002, the Medical Center became self-insured for medical malpractice losses and purchased occurrence-based excess commercial insurance coverage for claims over the self-insurance limit Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system, as well as claims incurred but not yet reported, are accrued based on estimates provided by an actuary that incorporates past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors Recorded malpractice and general liability self-insurance liabilities (discounted at 4 75%) are adequate in management's opinion The estimated liability for medical malpractice claims of $2,888,413 and $331,209 of which $718,668 and $82,905 is included in accrued expenses and $2,169,745 and $248,304 is included in other long-term liabilities at March 31, 2012 and 2011, respectively, in the consolidated balance sheets The Medical Center has recorded a receivable for insurance recoveries of $1,681,410 of which $509,733 is included in prepaid expenses and other current assets and $1,171,677 is included in other assets in the consolidated balance sheet at March 31, 2012

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

The Corporation has established a trust for the purpose of setting aside assets based on actuarial funding recommendations The Medical Center participates in this trust and has funded its portion of the actuarial determined liability as noted above into the trust The Medical Center contributed approximately $434,000 and $578,000 into the trust for the years ended March 31, 2012 and 2011, respectively

10. Medical Malpractice and General Liability Insurance (continued)

In 2012, the Medical Center adopted the provisions of Accounting Standards update (ASU) 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries* This ASU eliminates the practice of netting claims liabilities with expected related insurance recoveries for balance sheet presentation Claim liabilities are to be determined without regard for recoveries and presented at gross Expected recoveries are presented separately ASU 2012-14 is effective for fiscal years and interim periods within those years, beginning after December 15, 2010 The Medical Center recorded approximately $1,681,000 of additional noncurrent professional liability reserves and noncurrent excess insurance coverage receivables, which are included in its consolidated balance sheet as of March 31, 2012 There was no material impact to the Medical Center's results of operations or cash flows for the year ended March 31, 2012, as a result of the adoption of this guidance

11. Disclosures About Fair Value of Assets and Liabilities

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

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

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

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

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

Investments

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

11. Disclosures About Fair Value of Assets and Liabilities

Beneficial Interest in a Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy

Interest Rate Swap Agreement

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

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

	2012			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 15,568,740	$ 15,568,740	$ -	$ -
Equity securities	$ 23,545,328	$ 23,545,328	$ -	$ -
Mutual funds – large cap U S companies	$ 7,603,889	$ 7,603,889	$ -	$ -
Mutual funds – mid and small cap U S companies	$ 3,247,653	$ 3,247,653	$ -	$ -
Mutual funds – emerging markets	$ 5,217,437	$ 5,217,437	$ -	$ -
Government agency obligations	$ 69,687,763	$ -	$ 69,687,763	$ -
Corporate bonds and notes	$ 12,460,980	$ -	$ 12,460,980	$ -
Beneficial interest in a perpetual trust	$ 1,479,297	$ -	$ 1,479,297	$ -
Interest rate swap agreement	$ (10,318,435)	$ -	$ (10,318,435)	$ -

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

	2011			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 23,089,682	$ 23,089,682	$ -	$ -
Equity securities	$ 16,924,101	$ 16,924,101	$ -	$ -
Mutual funds – large cap U S companies	$ 9,101,031	$ 9,101,031	$ -	$ -
Mutual funds – mid and small cap U S companies	$ 3,427,047	$ 3,427,047	$ -	$ -
Mutual funds – emerging markets	$ 3,643,903	$ 3,643,903	$ -	$ -
Government agency obligations	$ 67,201,941	$ -	$ 67,201,941	$ -
Beneficial interest in a perpetual trust	$ 1,453,657	$ -	$ 1,453,657	$ -
Interest rate swap agreement	$ (4,569,020)	$ -	$ (4,569,020)	$ -

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

Cash and Cash Equivalents

The carrying amount approximates fair value

Long-Term Debt

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

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

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

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	$ 8,964,760	$ 8,964,760	$ 8,052,845	$ 8,052,845
Assets limited as to use	$ 143,880,634	$ 143,880,634	$ 129,866,747	$ 129,866,747
Financial liabilities				
Long-term debt, plus bond premium	$ 105,776,403	$ 105,736,204	$ 111,165,769	$ 108,535,380
Interest rate swap agreement	$ 10,318,435	$ 10,318,435	$ 4,569,020	$ 4,569,020

12. Significant Estimates and Concentrations

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

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Notes 1 and 2

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in Note 10

Litigation

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

12. Significant Estimates and Concentrations (continued)

Asset Retirement Obligation

As discussed in Note 4, the Medical Center has not recorded a liability for its conditional asset retirement obligations related to asbestos

Pension Obligation

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

Investments

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

Current Economic Conditions

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

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

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

13. Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the consolidated financial statements were available to be issued

14. Commitments

The Medical Center entered into a $12 1 million construction contract commitment on June 13, 2012, related to the construction of The Medical Center – WKU Health Sciences Complex

Supplementary Information

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

Community Benefit Care Information

Year Ended March 31, 2012

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

The following summary quantifies additional community benefit expense in terms of uncompensated care, services to the poor and benefits to the broader community during the fiscal year 2012

Charity care (as described in Note 1, $14,908,906 of charity care costs, less $3,132,240 of subsidies)	$ 11,776,666
Unpaid cost of Medicaid	5,954,793
Community health improvement (includes free community health fairs, screenings, community health education classes and health and wellness projects)	3,124,272
Health professionals education (scholarships and funding for education)	3,370,377
Subsidized health services (includes emergency care, obstetrical service line and behavioral health services for which reimbursements do not cover the full cost and Kentucky provider tax to fund care)	5,029,384
Financial and in-kind contributions	45,019
Total charity care and other benefits	29,300,511
Community building activities	870,422
Bad debt (services provided in which payment is expected, but never received)	4,157,207
Unpaid cost of Medicare	18,513,805
Total	$ 52,841,945

Community benefits expense represents approximately 18% of total expenses for the fiscal year ended 2012

Additional Data

Software ID:
Software Version:
EIN: 61-0920842
Name: BOWLING GREEN WARREN COUNTY COMM HOSP

Form 990, Special Condition Description:

Special Condition Description