See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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 10-01-2011 and ending 09-30-2012

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

C Name of organization
WHITE COUNTY MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
3214 EAST RACE AVENUE

City or town, state or country, and ZIP + 4
SEARCY, AR 72143

D Employer identification number
71-0772737

E Telephone number
(501) 268-6121

G Gross receipts $ 219,711,757

F Name and address of principal officer
RAYMOND MONTGOMERY II
3214 EAST RACE AVENUE
SEARCY, AR 72143

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 WCMC ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1995 | **M** State of legal domicile AR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE ORGANIZATION MAINTAINED A HOSPITAL IN SEARCY, AR TO BENEFIT THE SURROUNDING AREA THE HOSPITAL ACCEPTS ALL PATIENTS REGARDLESS OF THEIR FINANCIAL STATUS

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**	7
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**	1,796
6	Total number of volunteers (estimate if necessary)	**6**	170
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	592
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-10,472

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	95,189	1,040,314
	9 Program service revenue (Part VIII, line 2g)	195,097,264	210,284,443
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	522,346	309,608
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,285,022	8,077,392
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	199,999,821	219,711,757
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	79,958,652	86,078,139
	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)	108,534,715	114,178,432
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	188,493,367	200,256,571
	19 Revenue less expenses Subtract line 18 from line 12	11,506,454	19,455,186

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	191,189,551	205,606,638
	21 Total liabilities (Part X, line 26)	41,532,657	34,671,710
	22 Net assets or fund balances Subtract line 21 from line 20	149,656,894	170,934,928

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

****** | 2013-07-09
Signature of officer | Date

STUART HILL VICE PRESIDENT/ CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ AMBER SHERRILL	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 PO BOX 3667 LITTLE ROCK, AR 722033667			EIN ▶ Phone no ▶ (501) 372-1040

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

WHITE COUNTY MEDICAL CENTER ASSOCIATES AND PARTNERS, THROUGH A SPIRIT OF SERVANTHOOD, ARE COMMITTED TO THE CONTINUOUS IMPROVEMENT OF QUALITY PATIENT CARE, THE PROVISION OF HIGHLY SATISFIED PATIENT CARE AT REASONABLE PRICES, THE MAINTENANCE OF AN ADEQUATE MARGIN FOR REINVESTMENT IN NEW TECHNOLOGY, FACILITY IMPROVEMENTS, HUMAN RESOURCES, AND A LEADERSHIP ROLE FOR POSITIVE CHANGE IN THE HEALTHCARE ENVIRONMENT

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 $ 138,468,572 including grants of $) (Revenue $ 210,284,443)

THE ORGANIZATION MAINTAINED A HOSPITAL IN SEARCY, ARKANSAS TO BENEFIT THE SURROUNDING AREA THE HOSPITAL PROVIDES CARE TO PATIENTS MEETING CERTAIN CRITERIA WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES THE HOSPITAL ACCEPTS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY CHARGES EXCLUDED FROM REVENUE UNDER THE MEDICAL CENTER'S CHARITY CARE POLICY WERE $10,709,862 AND $13,136,050 FOR FISCAL YEAR END 2012 AND 2011, RESPECTIVELY

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

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

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

4e **Total program service expenses** ▶ $ 138,468,572

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		No
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		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *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**	Yes	
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**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *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**		No
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**	Yes	
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**	86		
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**	1,796			
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**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		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	7		
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	Yes	
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	Yes	
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	Yes	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

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

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 ▶

STUART HILL
3214 EAST RACE AVENUE
SEARCY, AR 72143
(501) 380-1001

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) KEITH FEATHER VICE CHAIRMAN	1 0	X		X				0	0	0
(2) CLEVE TREAT DIRECTOR	1 0	X						0	0	0
(3) MARVIN DELK DIRECTOR	1 0	X						0	0	0
(4) EUGENE MCKAY DIRECTOR	1 0	X						0	0	0
(5) MITCHELL HAMILTON CHAIRMAN	1 0	X		X				0	0	0
(6) JIM WILSON SECRETARY	1 0	X		X				0	0	0
(7) JOHN PAUL CAPPS DIRECTOR	1 0	X						0	0	0
(8) RAYMOND MONTGOMERY PRESIDENT/CEO	40 0			X				335,847	0	41,337
(9) STUART HILL VICE PRESIDENT/TREASURER	40 0			X				203,576	0	17,154
(10) LADONNA JOHNSTON VICE PRESIDENT PATIENT SERVICE	40 0			X				177,808	0	18,239
(11) SCOTTY PARKER ASST VP ANCILLARY SERVICES	40 0					X		128,353	0	10,965
(12) ARFAN FAHOUM PHARMACIST	40 0					X		126,869	0	9,717
(13) EMMANUEL TANCINCO HOSPITALIST	40 0					X		220,148	0	4,871
(14) DENNIS MILNER PHARMACIST	40 0					X		128,088	0	11,254
(15) BJ ROBERTS ASST VP FISCAL SERVICES	40 0					X		120,346	0	7,380

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			
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,441,035	0	120,917

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 ▶ 19

			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
WHITE COUNTY ER PHYSICIANS LLC 1446 MISSLE BASE RD JUDSONIA, AR 72081	ER PHYSICIANS	6,741,732
PRACTICE PLUS 11001 EXECUTIVE DR STE 300 LITTLE ROCK, AR 72211	MANAGEMENT SERVICES	2,143,491
SIGNET HEALTH CORPORATION 504 SEVILLE RD STE 201 DENTON, TX 76205	MANAGMENT SVCS	716,687
DELK CONSTRUCTION INC 915 E BEEBE-CAPPS EXPY SEARCY, AR 72143	CONSTRUCTION	3,836,744
ANESTHESIA AND PAIN MGMT ASSOCIATIE 119 W MARKET AVE SEARCY, AR 72143	ANESTHESIOLOGY	1,352,261

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 ▶ 27

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations . . . 1d 1,040,314				
	e	Government grants (contributions) 1e				
	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 . . . . . ▶	1,040,314			
Program Service Revenue		Business Code				
	2a	PROGRAM SVC REV 621110	210,284,443	210,284,443		
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	210,284,443			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	223,813	0	0	223,813
	4	Income from investment of tax-exempt bond proceeds . . ▶	0			
	5	Royalties . . . . . ▶	0			
		(i) Real / (ii) Personal				
	6a	Gross rents 2,800,006				
	b	Less rental expenses				
	c	Rental income or (loss) 2,800,006				
	d	Net rental income or (loss) . . . . . ▶	2,800,006			2,800,006
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory 85,795				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss) 85,795				
	d	Net gain or (loss) . . . . . ▶	85,795			85,795
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	CAFETERIA REVENUE 900099	1,213,463			1,213,463
	b	CHILD CARE REVENUE 900099	211,078			211,078
	c	VENDING REVENUE 900099	65,185			65,185
	d	All other revenue	3,787,660		592	3,787,068
	e	**Total.** Add lines 11a–11d . . . . . ▶	5,277,386			
	12	**Total revenue.** See Instructions . . . ▶	219,711,757	210,284,443	592	8,386,408

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	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,031,666		1,031,666	
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	71,869,948	43,712,962	28,156,986	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,902,605	1,157,208	745,397	0
9	Other employee benefits	6,689,673	4,068,814	2,620,859	0
10	Payroll taxes	4,584,247	2,788,245	1,796,002	0
11	Fees for services (non-employees)				
a	Management	3,140,237	1,909,965	1,230,272	0
b	Legal	319,401	194,267	125,134	0
c	Accounting	177,621	108,033	69,588	0
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	9,504,107	5,780,617	3,723,490	0
12	Advertising and promotion	425,757	258,955	166,802	0
13	Office expenses	24,464,489	14,879,867	9,584,622	0
14	Information technology	0			0
15	Royalties . .	0			
16	Occupancy	8,381,531	5,097,841	3,283,690	
17	Travel	268,543	163,334	105,209	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	526,325	320,123	206,202	
21	Payments to affiliates	0			0
22	Depreciation, depletion, and amortization	9,320,788	5,669,118	3,651,670	0
23	Insurance	1,116,695	679,200	437,495	0
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	PROVISION FOR BAD DEBT	44,146,005	44,146,005	0	0
b	PHARMACY	5,184,638	3,153,417	2,031,221	0
c	REPAIRS AND MAINTENANCE	3,073,598	1,869,433	1,204,165	0
d	COST OF FOOD	1,759,063	1,069,903	689,160	0
e					
f	All other expenses	2,369,634	1,441,265	928,369	
25	**Total functional expenses.** Add lines 1 through 24f	200,256,571	138,468,572	61,787,999	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		31,462,002	1	45,731,889
	2	Savings and temporary cash investments		33,620,262	2	35,673,637
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		21,950,951	4	18,319,679
	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		4,035,816	8	4,160,863
	9	Prepaid expenses and deferred charges		934,118	9	1,118,983
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 174,285,307			
	b	Less accumulated depreciation	10b 94,810,000	82,246,961	10c	79,475,307
	11	Investments—publicly traded securities		12,685,153	11	16,560,475
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		4,254,288	15	4,565,805
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		191,189,551	16	205,606,638
Liabilities	17	Accounts payable and accrued expenses		16,265,262	17	11,843,659
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		15,443,445	20	14,318,451
	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		4,621,796	23	3,306,095
	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		5,202,154	25	5,203,505
	26	**Total liabilities.** Add lines 17 through 25		41,532,657	26	34,671,710
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		149,656,894	27	170,934,928
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		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		149,656,894	33	170,934,928
	34	Total liabilities and net assets/fund balances		191,189,551	34	205,606,638

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	219,711,757
2	Total expenses (must equal Part IX, column (A), line 25)	2	200,256,571
3	Revenue less expenses Subtract line 2 from line 1	3	19,455,186
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	149,656,894
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,822,848
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	170,934,928

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		

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER	71-0772737

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		15,742
j	Total lines 1c through 1i			15,742
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
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
FORM 990, SCHEDULE C, PART II-B, LINE 1i	DESCRIPTION OF OTHER ACTIVITIES	PORTION OF AMERICAN HOSPITAL ASSOCIATION AND ARKANSAS HOSPITAL ASSOCIATION DUES ATTRIBUTABLE TO LOBBYING - $15,742

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,310,941		3,310,941
b Buildings		99,577,413	44,076,426	55,500,987
c Leasehold improvements		3,102,699	1,487,397	1,615,302
d Equipment		68,038,644	49,246,177	18,792,467
e Other		255,610		255,610
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				79,475,307

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
EST THIRD-PARTY PAYER SETTLEMENT	5,203,505
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	5,203,505

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	219,711,757
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	200,256,571
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	19,455,186
4	Net unrealized gains (losses) on investments	4	1,822,848
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	1,822,848
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	21,278,034

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	221,534,605
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,822,848		
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	1,822,848
3	Subtract line **2e** from line **1**			3	219,711,757
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	219,711,757

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

1	Total expenses and losses per audited financial statements			1	200,256,571
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	200,256,571
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	200,256,571

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
UNCERTAINTY IN INCOME TAXES	FORM 990,SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740 BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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	Yes	
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		No
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		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			2,925,027	0	2,925,027	1 870 %
b Medicaid (from Worksheet 3, column a)			21,361,059	19,162,508	2,198,551	1 410 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			599,107	353,064	246,043	0 160 %
d **Total** Charity Care and Means-Tested Government Programs			24,885,193	19,515,572	5,369,621	3 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			547,516	72,903	474,613	0 300 %
f Health professions education (from Worksheet 5)			60,008	0	60,008	0 040 %
g Subsidized health services (from Worksheet 6)			25,047,249	16,596,935	8,450,314	5 410 %
h Research (from Worksheet 7)			43,449	0	43,449	0 030 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			92,055	0	92,055	0 060 %
j **Total** Other Benefits			25,790,277	16,669,838	9,120,439	5 840 %
k **Total.** Add lines 7d and 7j			50,675,470	36,185,410	14,490,060	9 280 %

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	Community support			1,375		1,375	
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy			5,602		5,602	
8	Workforce development			227,994		227,994	0 150 %
9	Other						
10	**Total**			234,971		234,971	0 150 %

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		No
2	Enter the amount of the organization's bad debt expense	2	44,146,005		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,083,123		
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	68,623,583
6	Enter Medicare allowable costs of care relating to payments on line 5	6	51,223,690
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	17,399,893

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		No

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	WHITE COUNTY MEDICAL CENTER 3214 EAST RACE SEARCY,AR 72143	X	X					X		
2	WHITE COUNTY MEDICAL CENTER - SOUTH 1200 SOUTH MAIN SEARCY,AR 72143	X								REHABILITATION ADULT PSYCHOLOGY GERIATRIC PSYCHOLOGY

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)

WHITE COUNTY MEDICAL CENTER

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		No
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	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % 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	Yes	
	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)

WHITE COUNTY MEDICAL CENTER - SOUTH

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		No
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	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 % 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	Yes	
	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? **6**

	Name and address	Type of Facility (Describe)
1	WCMC WEST CLINIC 2505 WEST BEEBE CAPPS EXPRESSWAY SEARCY,AR 72143	OUTPATIENT MRI & CT PT DME
2	WCMC SURGERY CENTER 710 MARION STREET SUITE 101 SEARCY,AR 72143	OUTPATIENT SURGERY WOUND CARE
3	FAMILY PRACTICE ASSOCIATES 3130 EAST RACE SUITE 100 SEARCY,AR 72143	FAMILY PRACTICE CLINIC
4	SEARCY MEDICAL CENTER 2900 HAWKINS SEARCY,AR 72143	MULTI-SPECIALTY CLINIC
5	WHITE COUNTY ONCOLOGY 3130 E RACE AVE SEARCY,AR 72143	ONCOLOGY CLINIC
6	RIVER OAKS VILLAGE 3012 E MOORE AVE SEARCY,AR 72143	INDEPENDENT & ASSISTED LIVING FACILITY
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
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 4A	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 SERVCIE 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

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY	SCHEDULE H, PART III, LINE 4B	AMOUNT REPORTED ON LINE 2 IS BASED ON BAD DEBTS PER THE AUDITED FINANCIAL STATEMENTS LINE 3 WAS DETERMINED BY APPLYING A WEIGHTED AVERAGE POVERTY LEVEL FOR THE TOP SEVEN COUNTIES COMPRISING WCMCS PATIENT CENSUS FOR THE FISCAL YEAR

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY	SCHEDULE H, PART III, LINE 8A	THE MEDICARE COST REPORT FOR FYE 2012 WAS UTILIZED TO DETERMINE THE AMOUNT FOR LINE 6

Identifier	ReturnReference	Explanation
ACTIONS BEFORE INITIATING COLLECTION ACTIONS	SCHEDULE H, PART V, LINE 17	COLLECTION ACTIONS TAKEN BEYOND THE MINIMUM LEGALLY REQUIRED TO ENSURE ALL PATIENTS ARE TREATED EQUALLY ARE BASED ON A PROPENSITY TO PAY ANALYSIS PERFORMED BY A CONTRACTED THIRD PARTY

Identifier	ReturnReference	Explanation
AMOUNTS BILLED TO INDIVIDUALS WITHOUT INSURANCE COVERING EMERGENCY CARE	SCHEDULE H, PART V, LINE 19	THE MEDICAL CENTER UTILIZED THE AVERAGE OF THE THREE LARGEST INSURERS AS DETERMINED BY GROSS REVENUE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	THE HEALTHCARE NEEDS OF THE COMMUNITY ARE PREPARED BY THE MARKETING AND PUBLIC RELATIONS DEPARTMENT AND REPORTED EVERY TWO YEARS AS PART OF THE HOSPITAL STRATEGIC PLAN

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	HOSPITAL HAS A SOCIAL WORKER THAT VISITS AND WORKS WITH EACH PATIENT OR PATIENT'S FAMILY REGARDING ANY NEEDS THE PATIENT MAY HAVE, FINANCIAL OR OTHERWISE SIGNS AND INFORMATIONAL BROCHURES ARE POSTED AND MADE AVAILABLE TO EDUCATE PATIENTS OF FINANCIAL ASSISTANCE PROGRAMS FINANCIAL COUNSELORS VISIT PATIENTS TO ASSIST IN REGISTERING FOR FINANCIAL ASSISTANCE AND GOVERNMENT PROGRAMS ADDITIONALLY, A FINANCIAL ASSISTANCE COMPANY IS CONTRACTED TO ASSIST PATIENTS FIND AND REGISTER FOR MEDICAL ASSISTANCE BOTH PRIVATE AND PUBLIC

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	THE PRIMARY COMMUNITY SERVICED IS APPROXIMATELY A SIX COUNTY AREA SURROUNDING WHITE COUNTY, ARKANSAS THE SOCIO ECONOMIC MAKEUP OF THE COMMUNITY IS MIXED, WITH STRATUM FROM INDIGENT TO THOSE HAVING NO APPARENT FINANCIAL NEEDS THE PAYER MIX OF THE HOSPITAL IS 24% COMMERCIAL, 3% SELF PAY, 58% MEDICARE, AND 15% MEDICAID

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	THE HOSPITAL PARTICIPATES IN MANY COMMUNITY ACTIVITIES AND EDUCATION PROGRAMS TO PROVIDE GENERAL HEALTH EDUCATION AND SCREENINGS FOR RESIDENTS WITHIN THE COMMUNITY THESE ACTIVITIES INCLUDE THE ANNUAL DAY OF CARING AND COUNTY FAIR THE HOSPITAL IS FOCUSED ON PROVIDING FOR THE NEEDS OF THE COMMUNITY THROUGH EXPANDING SERVICES AND TEAMING WITH OTHER AREA PROVIDERS TO PROVIDE NECESSARY RESOURCES THE HOSPITAL MAKES ITSELF AND RESOURCES AVAILABLE NOT ONLY TO THE IMMEDIATE MEDICAL COMMUNITY (WHITE COUNTY AND SURROUNDING AREA), BUT ALSO TO THE NEEDS OF OTHER HEALTHCARE PROVIDERS IN THE ENTIRE STATE THE HOSPITAL PROVIDES MEDICAL SCREENINGS AND EDUCATION TO REGIONAL BUSINESSES AND SCHOOLS THROUGH THE HEALTHWORKS DEPARTMENT, HEALTH FAIRS, PATIENT-COMMUNITY-EMPLOYEE HEALTH EDUCATION, ATHLETIC TRAINERS TO LOCAL SCHOOLS, AND VARIOUS TRAINING PROGRAMS THE HOSPITAL IS ALSO ACTIVELY EXPANDING AND EVALUATING THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS TO ENSURE COMMUNITY DIALOG AND INPUT ARE RECEIVED

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM ROLES	SCHEDULE H, PART VI, LINE 6	THE HOSPITAL AND ITS AFFILIATED ORGANIZATIONS ARE COMMITTED TO PROVIDING HIGH QUALITY, PERSONALIZED CARE TO THEIR IMMEDIATE SERVICE AREA (WHITE COUNTY AND SURROUNDING AREAS) AND THE ENTIRE STATE THE HOSPITAL IS LEAD BY A VOLUNTEER INDEPENDENT GOVERNING BODY CONSISTING OF RESIDENTS OF THE ORGANIZATION'S SERVICE AREA WHO ARE NEITHER EMPLOYEES OR DIRECT INDEPENDENT CONTRACTORS THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEGES TO ALL REQUESTING QUALIFIED PHYSICIANS WITHIN THE SERVICE AREA FOR ALL NECESSARY DEPARTMENTS THE ORGANIZATION IS COMMITTED TO ENSURING CONTINUED FUNDING IS AVAILABLE FOR ALL NECESSARY SERVICES, ADVANCED EQUIPMENT, QUALITY SUPPLIES, COMPETENT CARING TEAM MEMBERS, AND CONTINUED OPERATIONAL FLEXIBILITY FOR FUTURE UNCERTAINTY

Identifier	ReturnReference	Explanation
BAD DEBT	SCHEDULE H, PART I, LINE 7F	BAD DEBT EXPENSE IN THE AMOUNT OF $44,146,005 IS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A) ("TOTAL FUNCTIONAL EXPENSES"), BUT IS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN THIS COLUMN

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY	SCHEDULE H, PART I, LINE 7	THE COST TO CHARGE RATIO AS CALCULATED USING WORKSHEET 2 WAS USED TO DETERMINE THE COSTS ON LINE 7

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☐ 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**	Yes	
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or 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) RAYMOND MONTGOMERY	(i)	296,845	15,302	23,700	34,150	7,187	377,184	0
	(ii)	0	0	0	0	0	0	0
(2) STUART HILL	(i)	193,903	9,673	0	13,133	4,021	220,730	0
	(ii)	0	0	0	0	0	0	0
(3) LADONNA JOHNSTON	(i)	169,091	8,717	0	12,034	6,205	196,047	0
	(ii)	0	0	0	0	0	0	0
(4) EMMANUEL TANCINCO	(i)	220,123	25	0	0	4,871	225,019	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
BENEFITS PROVIDED	SCH J, PART I, LINE 1A	ALL MEMBERS OF THE EXECUTIVE TEAM HAVE ACCESS TO THE ORGANIZATION'S SOCIAL CLUB MEMBERSHIP NO PART OF THE MEMBERSHIP IS TREATED AS TAXABLE COMPENSATION BECAUSE ALL USE IS CONSIDERED BUSINESS USE PERSONAL EXPENSES ARE PAID BY THE OFFICERS TO THE CLUB
NAMES, AMOUNTS, AND DETAILS OF ARRANGEMENTS	SCH J, PART I, LINE 4B	THE ORGANIZATION HAS A 457 PLAN THE FOLLOWING IS A LIST OF THE PERSONS PARTICIPATING IN THE PLAN AND THE ACCRUED VALUE RAYMOND MONTGOMERY - $0 , STUART HILL - $0 , LADONNA JOHNSTON - $0
COMPENSATION CONTINGENT ON NET EARNINGS	SCH J, PART I, LINE 6A	THE INCENTIVE PAY CALCULATION IS BASED ON THREE COMPONENTS QUALITY, PATIENT SATISFACTION, AND FINANCE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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	WHITE COUNTY ARKANSAS	71-6012741	963653AK6	12-29-2005	9,582,500	RETIRE PROJECT LOAN		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	5,193,875			
2	Amount of bonds defeased	0			
3	Total proceeds of issue	9,882,546			
4	Gross proceeds in reserve funds	950,000			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrow	0			
7	Issuance costs from proceeds	190,000			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2006			

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part 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							
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						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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	WHITE COUNTYARKANSAS	71-6012741	963653AR1	02-15-2006	10,000,000	PURCHASE FACILITY & RENEVATION		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	80,000			
2	Amount of bonds defeased	0			
3	Total proceeds of issue	10,275,430			
4	Gross proceeds in reserve funds	675,000			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrow	0			
7	Issuance costs from proceeds	181,600			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	0			
10	Capital expenditures from proceeds	0			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2007			

		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							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part 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							
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						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MARVIN DELK	50% OWNER	313,099	CONSTRUCTION OF CANCER CENTER		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

Identifier	Return Reference	Explanation
DELEGATION OF CONTROL OVER MANAGEMENT DUTIES	FORM 990, PART VI, SECTION A, LINE 3	THE ORGANIZATION HAS USED UNRELATED MANAGEMENT ORGANIZATIONS TO DIRECT THE OPERATIONS OF THEIR ADULT PSYCHOLOGY AND GERIATRIC PSYCHOLOGY UNITS AS WELL AS ENGINEERING AND ENVIRONMENTAL SERVICES
APPROVAL OF MEMBERS	FORM 990, PART VI, SECTION A, LINE 7B	THE VOTE OF THE BOARD OF DIRECTORS DETERMINES THE SELECTION OF NEW BOARD MEMBERS THE SELECTION IS SUBJECT TO THE APPROVAL OF THE WHITE COUNTY QUORUM COURT
CONFLICT OF INTEREST POLICY MONITORING & ENFORCEMENT	FORM 990, PART VI, SECTION B, LINE 12C	ANNUAL CONFLICT OF INTEREST POLICIES ARE REVIEWED BY EACH OFFICER AND DIRECTOR THE OFFICERS AND DIRECTORS THEN SIGN AN ATTESTATION DOCUMENT INDICATING THE EXISTENCE OF ANY CONFLICT OR LACK THEREOF
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, SECTION B, LINES 15A & 15B	THE ORGANIZATION'S CEO PRESENTS FORM 990'S OF OTHER ORGANIZATIONS AND COMPENSATION SURVEYS OR STUDIES TO THE ENTIRE BOARD OF DIRECTORS FOR THEIR ANALYSIS AND COMPENSATION DECISIONS FOR ALL REMAINING TOP MANAGEMENT OFFICIALS, OFFICERS, AND KEY EMPLOYEES, HUMAN RESOURCES REVIEWS COMPARABILITY DATA AND CONTEMPORANEOUS SUBSTANTIATION OF WAGES/SALARIES ON AN ANNUAL BASIS
AVAILABILITY OF DOCUMENTS	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC WITHIN THE ADMINISTRATIVE OFFICE UPON A VALID PURPOSE AND REQUEST
SELECTION AND OVERSIGHT OF INDEPENDENT ACCOUNTANT	FORM 990, PART XII, LINES 2B AND 2C	THE ORGANIZATION'S FINANCIAL STATEMENTS ARE AUDITED ON A CONSOLIDATED BASIS BY AN INDEPENDENT ACCOUNTANT THE GOVERNING BODY AS A WHOLE ASSUMES THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT AND SELECTION OF AN INDEPENDENT ACCOUNTANT
REVIEW OF FORM 990	FORM 990, PART VI, SECTION B, LINE 11B	THE FORM 990 IS REVIEWED BY THE EXECUTIVE TEAM OF THE HOSPITAL AS WELL AS THE INTERNAL AUDIT DEPARTMENT THE BOARD OF DIRECTORS IS PROVIDED COPIES OF THE 990 PRIOR TO FILING
CORPORATION MEMBERS	FORM 990, PART VI, SECTION A, LINE 6	THE MEMBERS OF THE CORPORATION SHALL CONSIST OF THOSE PERSONS WHO SERVE AS DIRECTORS OF THE CORPORATION
ELECTION OF GOVERNING BODY	FORM 990, PART VI, SECTION A, LINE 7A	DIRECTORS SHALL BE ELECTED BY PLURALITY VOTE AT THE ANNUAL MEETING OF THE BOARD OF DIRECTORS AT EACH SUCH ELECTION FOR DIRECTORS, EVERY MEMBER ENTITLED TO VOTE AT SUCH ELECTION SHALL HAVE THE RIGHT TO CAST ONE VOTE FOR AS MANY PERSONS AS THERE ARE DIRECTORS TO BE ELECTED AND FOR WHOSE ELECTION HE OR SHE HAS A RIGHT TO VOTE THE NOMINATION OF A NEW BOARD MEMBER IS SUBMITTED TO THE COUNTY QUORUM COURT FOR APPROVAL
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 5	UNREALIZED GAIN ON INVESTMENTS 1,822,848
NEW SIGNIFICANT PROGRAM SERVICE	FORM 990, PART III, LINE 2	THE ORGANIZATION HAS MOVED TO A PROVIDER BASED MODEL OF CARE WHERE VARIOUS PHYSICIANS AND CLINICS ARE NOW PART OF THE HEALTH SYSTEM

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493213008173

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
WHITE COUNTY MEDICAL CENTER

Employer identification number
71-0772737

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) WHITE COUNTY MEDICAL FOUNDATION 3214 EAST RACE SEARCY, AR 72143 62-1697734	FUNDRAISING	AR	501 (C)(3)	11A	NA	Yes	
(2) ADVANCED CARE HOSPITAL OF WHITE COUNTY 1200 SOUTH MAIN SEARCY, AR 72143 20-8459270	LT ACUTE CARE	AR	501 (C)(3)	3	NA	Yes	
(3) WHITE COUNTY PHYSICIANS GROUP 3214 EAST RACE SEARCY, AR 72143 27-5303218	HEALTHCARE	AR	501 (C)(3)	9	NA	Yes	

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

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

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

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		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
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		No
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		No
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) WHITE COUNTY MEDICAL FOUNDATION	C	1,040,314	FMV
(2) ADVANCED CARE HOSPITAL OF WHITE COUNTY	A	276,000	FMV
(3) ADVANCED CARE HOSPITAL OF WHITE COUNTY	K	1,424,000	FMV
(4) WHITE COUNTY PHYSICIAN GROUP	P	7,064,938	FMV
(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	

White County Medical Center, Inc.

Accountants' Report, Financial Statements and Supplementary Information

September 30, 2012 and 2011

BKD LLP
CPAs & Advisors

White County Medical Center, Inc.

September 30, 2012 and 2011

Contents

Independent Accountants' Report on Financial Statements and Supplementary Information 1

Consolidated Financial Statements

Balance Sheets 2

Statements of Operations and Changes in Net Assets 3

Statements of Cash Flows 5

Notes to Financial Statements 6

Supplementary Information

Consolidating Schedule – Balance Sheet Information 26

Consolidating Schedule – Statement of Operations and Changes in Net Assets Information 27

Schedule of Divisional Statement of Operations 29

BKD LLP
CPAs & Advisors

400 W Capitol Avenue Suite 2500
PO Box 3667
Little Rock AR 72203 3667
501 372 6310 Fax 501 372 1250 www.bkd.com

Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors
White County Medical Center, Inc
Searcy, Arkansas

We have audited the accompanying consolidated balance sheets of White County Medical Center, Inc (the Medical Center) as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended These financial statements are the responsibility of the Medical Center's management Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of White County Medical Center, Inc as of September 30, 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 conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole The supplementary consolidating and divisional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it

BKD, LLP

February 18, 2013

White County Medical Center, Inc.

Consolidated Balance Sheets

September 30, 2012 and 2011

Assets

	2012	2011
Current Assets		
Cash	$ 46,801,552	$ 32,456,157
Assets limited as to use – current	2,205,416	2,174,059
Patient accounts receivable, net of allowance, 2012 – $33,478,579, 2011 – $35,384,861	19,641,956	23,861,962
Supplies	4,434,418	4,240,909
Prepaid expenses and other	3,524,501	3,477,551
Total current assets	76,607,843	66,210,638
Assets Limited As To Use		
Internally designated for capital acquisitions	48,628,470	43,376,680
Internally designated for debt service	3,134,270	3,139,643
Internally designated for self-insurance programs	1,398,780	1,382,449
	53,161,520	47,898,772
Less amount required to meet current obligations	2,205,416	2,174,059
	50,956,104	45,724,713
Property and Equipment, at Cost		
Land and land improvements	5,958,806	6,311,523
Buildings and leasehold improvements	100,032,247	100,633,027
Equipment	68,725,474	61,077,657
Construction in progress	255,610	152,740
	174,972,137	168,174,947
Less accumulated depreciation	95,053,334	85,545,974
	79,918,803	82,628,973
Other Assets		
Investment in equity investee	1,691,288	1,682,044
Deferred financing costs	170,448	200,035
	1,861,736	1,882,079
Total assets	$ 209,344,486	$ 196,446,403

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2012	2011
Current Liabilities		
Current maturities of long-term debt	$ 2,451,531	$ 2,560,819
Accounts payable	4,149,125	8,878,118
Accrued expenses	8,009,696	7,744,201
Estimated third-party payer settlements	5,203,505	5,202,154
Total current liabilities	19,813,857	24,385,292
Long-term Debt	15,173,014	17,504,422
Total liabilities	34,986,871	41,889,714
Net Assets		
Unrestricted	174,100,753	154,019,689
Temporarily restricted	256,862	537,000
Total net assets	174,357,615	154,556,689
Total liabilities and net assets	$ 209,344,486	$ 196,446,403

White County Medical Center, Inc.

Consolidated Statements of Operations and Changes in Net Assets

Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	$ 216,918,630	$ 202,676,194
Other	8,165,055	4,492,828
Total unrestricted revenues, gains and other support	225,083,685	207,169,022
Expenses		
Salaries and wages	75,874,245	68,908,522
Employee benefits	13,664,217	14,252,681
Purchased services and professional fees	14,281,326	14,316,218
Supplies and other	49,476,287	45,815,912
Depreciation	9,406,145	8,363,641
Interest	526,325	708,129
Provision for uncollectible accounts	44,195,323	43,060,655
Total expenses	207,423,868	195,425,758
Operating Income	17,659,817	11,743,264
Other Income (Expense)		
Investment return	2,138,135	(1,089,085)
Equity in earnings of equity investee	137,974	106,508
Total other income (expense)	2,276,109	(982,577)
Excess of Revenues Over Expenses	$ 19,935,926	$ 10,760,687

White County Medical Center, Inc.

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

Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted Net Assets		
Excess of revenues over expenses	$ 19,935,926	$ 10,760,687
Assets released from restrictions	145,138	-
Contributions received for construction of property	-	331,861
Increase in unrestricted net assets	20,081,064	11,092,548
Temporarily Restricted Net Assets		
Contributions receivable	-	537,000
Assets released from restrictions	(145,138)	-
Provision for bad debts	(135,000)	-
Increase (decrease) in temporarily restricted net assets	(280,138)	537,000
Increase in Net Assets	19,800,926	11,629,548
Net Assets, Beginning of Year	154,556,689	142,927,141
Net Assets, End of Year	$ 174,357,615	$ 154,556,689

White County Medical Center, Inc.

Consolidated Statements of Cash Flows

Years Ended September 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	$ 19,800,926	$ 11,629,548
Items not requiring (providing) cash		
Depreciation and amortization	9,406,145	8,363,641
Gain on disposal of property and equipment	(8,639)	(27,898)
Income on investment in equity investee	(137,974)	(106,508)
Unrealized (gain) loss on investments	(1,822,848)	1,587,359
Provision for uncollectible accounts	44,195,323	43,060,655
Changes in		
Patient accounts receivable	(39,975,317)	(40,081,437)
Estimated third-party payer settlements	1,351	1,682,951
Accounts payable and accrued expenses	(6,017,646)	(791,742)
Supplies and prepaid expenses	(103,479)	(2,061,582)
Net cash provided by operating activities	25,337,842	23,254,987
Investing Activities		
Purchase of investments	(26,434,807)	(34,451,010)
Proceeds from sale of investments	22,994,907	31,071,587
Capital expenditures	(5,988,364)	(11,459,077)
Proceeds from sale of fixed assets	980,102	35,435
Net cash used in investing activities	(8,448,162)	(14,803,065)
Financing Activities		
Principal payments on long-term debt	(2,544,285)	(2,892,902)
Net cash used in financing activities	(2,544,285)	(2,892,902)
Increase in Cash	14,345,395	5,559,020
Cash, Beginning of Year	32,456,157	26,897,137
Cash, End of Year	$ 46,801,552	$ 32,456,157
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	$ 542,169	$ 722,978
Capital lease obligation incurred for property and equipment	$ 103,589	$ 1,806,838
Current liabilities for property, plant and equipment acquisitions	$ 1,227,286	$ 2,781,434

White County Medical Center, Inc.

Notes to Consolidated Financial Statements

September 30, 2012 and 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

White County Medical Center, Inc (the Medical Center) primarily earns revenues by providing inpatient, outpatient, psychiatric and rehabilitative services to patients in and around White County, Arkansas The Medical Center operates three physician clinics under the names Searcy Medical Center, Family Practice Associates and White County Oncology These three clinics are collectively comprised of approximately 40 physician general practitioners and specialists that practice in the Medical Center's service area The physicians for the clinics are employed by White County Physician Group, which is a public benefit corporation whose sole member is the Medical Center The Medical Center also operates River Oaks Village (ROV), an independent/assisted living apartment complex for the elderly The physician clinics and ROV are reported as divisions of the Medical Center

Advanced Care Hospital of White County is a tax-exempt, non-profit corporation that operates a long-term acute-care hospital (LTCH) that provides inpatient services to patients in and around White County, Arkansas

White County Medical Foundation, Inc (the Foundation) is a tax-exempt fundraising foundation that exists to solicit charitable funds on behalf of the Medical Center

The Medical Center owns an investment in BHWC, Inc , an unconsolidated subsidiary, which is accounted for using the equity method, as the Medical Center shares control with other parties

The Medical Center owns an investment in SMC Medical Holdings, LLC, which is accounted for using the cost method, as the Medical Center has a minority interest with other parties

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center and its wholly owned subsidiaries, Advanced Care Hospital of White County and White County Medical Foundation, Inc All significant intercompany accounts and transactions have been eliminated in consolidation

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. The investment in equity investee is reported on the equity method of accounting. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. 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, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally-imposed restrictions.

Assets Limited as to Use

Assets limited as to use include assets set aside by the board of directors for future capital improvements, debt service and self-insurance programs over which the board of directors retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Medical Center are included in current assets.

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.

Supplies

The Medical Center states supply inventories at the lower of cost, determined using the first-in, first-out method, or market.

Property and Equipment

Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows

Land improvements	10 – 25 years
Buildings	10 – 40 years
Equipment	3 – 15 years

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor Monetary gifts that must be used to acquire property and equipment are reported as restricted support The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service

The Medical Center capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing Total interest incurred was

	2012	2011
Interest costs capitalized	$ 275,143	$ 134,110
Interest costs charged to expense	526,325	708,129
Total interest incurred	$ 801,468	$ 842,239

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 estimated 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 September 30, 2012 and 2011

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt Such costs are being amortized over the term of the respective debt using the straight-line method

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose

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

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, these amounts are not reported as net patient service revenue

Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received Gifts received with donor stipulations are reported as either temporarily or permanently restricted support When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor

Self Insurance

The Medical Center has elected to self-insure certain costs related to employee health and accident benefit programs Costs resulting from noninsured losses are charged to income when incurred The Medical Center has purchased insurance that limits its exposure for individual claims to $175,000

Estimated Malpractice Costs

An annual estimated provision is accrued for the self-insured portion of medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported

Income Taxes

The Medical Center, LTCH and the Foundation have been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law As such, they are required to file IRS Form 990 on an annual basis The Medical Center is no longer subject to U S federal income tax examinations by tax authorities for income tax returns filed for years before 2008 The Medical Center is subject to federal income tax on any unrelated business taxable income White County Physician Group has filed for tax exempt status with the IRS and is currently waiting approval Management has no reason to believe the request will not be granted by the IRS

Excess of Revenues Over Expenses

The statements of operations include excess of revenues over expenses Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions that, by donor restriction, were to be used for the purpose of acquiring such assets)

Subsequent Events

Subsequent events have been evaluated through the date of the independent accountants' report, which is the date the financial statements were available to be issued

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, the Medical Center completed the first-year requirements under both the Medicare and Medicaid programs and has recorded revenue of approximately $3 3 million, which is included in other revenue within operating revenues in the statement of operations The Medical Center's physicians have a similar incentive program available through Medicare or Medicaid During 2012, the Medical Center completed the first-year requirements associated with the physician incentive program and recorded revenue of approximately $106,000, which is included in other revenue within operating revenues in the statement of operations

Note 2: 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 These payment arrangements include

Medicare—Inpatient acute care services, nonacute services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Certain inpatient nonacute services are paid based on a combination of fee schedules and a cost reimbursement methodology Physician services are primarily paid based on fee schedules The Medical Center is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary

Medicaid—Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology subject to certain cost limitations Outpatient services are reimbursed based on defined allowable charges The Medical Center is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid fiscal intermediary

Approximately 62% and 58% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended September 30, 2012 and 2011, respectively Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change As a result, it is reasonably possible that recorded estimates will change materially in the near term

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

In December 2009, the Secretary of the U S Department of Health and Human Services approved the inpatient and outpatient sections of an amendment to the Arkansas State Medicaid Plan, which established a provider assessment program retroactive to July 1, 2009 This program, as initially enacted, assessed a fee of no more than 1% on the net patient service revenue of private hospitals and allocates the proceeds to supplement Medicaid payments In February 2011, the program was amended to allow the assessed fee to be no more than 5 5% of net patient service revenue The federal government matches the assessment amount at a rate of approximately 3 to 1, and these amounts are allocated to private hospitals in Arkansas based on each hospital's share of the total of these hospitals' Medicaid discharges and outpatient Medicaid payments Based on its status as a private hospital, the Medical Center participates in this program and records the assessed fees and the supplemental payments as expenses and revenues in the period incurred or earned, respectively Amounts recorded as provider assessment tax expenses under this program for the years ended September 30, 2012 and 2011, were approximately $1 7 million and $1 2 million, respectively Amounts recorded for the provider assessments receipts under this program for the years ended September 30, 2012 and 2011, were approximately $7 2 million and $6 7 million, respectively Amounts recorded for the provider assessments receivable under this program as of September 30, 2012 and 2011, were approximately $1 8 million and $1 7 million, respectively

Note 3: Concentrations of Credit Risk

Accounts Receivable

The Medical Center grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements The mix of receivables from patients and third-party payers at September 30, 2012 and 2011, is

	2012	2011
Medicare	43%	33%
Medicaid	8%	7%
Other third-party payers	35%	44%
Patients	14%	16%
	100%	100%

Bank Balances

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions At September 30, 2012, the Medical Center's non-interest bearing cash accounts that were covered under this temporary program were approximately $46 6 million

Effective July 21, 2010, The FDIC's insurance limits were permanently increased to $250,000 At September 30, 2012, the Medical Center's interest-bearing cash accounts exceeded federally insured limits by approximately $3 million

Note 4: Investments and Investment Return

Assets Limited as to Use

Assets limited as to use include

	2012	2011
Internally designated for capital improvements		
Cash and cash equivalents	$ 14,157,609	$ 12,222,768
Certificates of deposit	21,453,136	21,995,026
Equity mutual funds	2,816,616	1,816,474
Fixed income mutual funds	2,927,303	1,762,101
Equity securities	7,273,806	5,580,311
	48,628,470	43,376,680
Internally designated for debt service		
Cash and cash equivalents	1,192,757	1,197,460
Certificates of deposit	304,790	304,000
U S Treasury obligations	1,636,723	1,638,183
	3,134,270	3,139,643
Internally designated for self-insurance programs		
Cash and cash equivalents	1,198,780	1,182,449
Certificates of deposit	200,000	200,000
	1,398,780	1,382,449
Total investments	$ 53,161,520	$ 47,898,772

Total investment return is comprised of the following

	2012	2011
Interest and dividend income	$ 238,131	$ 498,274
Net realized and unrealized losses on trading securities	1,900,004	(1,587,359)
	$ 2,138,135	$ (1,089,085)

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

	2012	2011
Unrestricted net assets		
Other nonoperating income	$ 2,138,135	$ (1,089,085)

Note 5: Investment in and Advances to Equity Investee

The investment in and advances to equity investee relates to a 50% ownership of BHWC, Inc and a 10% ownership of SMC Medical Holdings, LLC Combined financial position and results of operations of the investees are summarized below

	2012 (unaudited)	2011 (unaudited)
Current assets	$ 603,910	$ 1,517,602
Property and other long-term assets, net	12,660,126	19,549,555
Total assets	13,264,036	21,067,157
Current liabilities	950,781	992,379
Long-term liabilities	3,441,898	3,717,697
Total liabilities	4,392,679	4,710,076
Total equity	$ 8,871,357	$ 16,357,081
Revenues	$ 2,180,167	$ 1,092,273
Net income	$ 1,098,005	$ 933,167

Note 6: Medical Malpractice Claims

The Medical Center purchases medical malpractice insurance under a claims-made policy Under such policy, only claims made and reported to the insurer are covered during the policy term, regardless of when the incident giving rise to the claim occurred The Medical Center accrues its share of the expense of covered claims Such estimates are based on the Medical Center's own claims experience and representations from legal counsel Since the Medical Center is a charitable non-profit institution, legal counsel has advised that the Medical Center would be immune from any amount above its insurance limits due to Arkansas charitable immunity statutes

Note 7: Long-term Debt

	2012	2011
Hospital revenue bonds (A)	$ 92,326	$ 163,891
Hospital revenue bonds (B)	-	70,178
Capital lease obligations (C)	1,623,750	2,119,848
Hospital revenue bonds (D)	4,306,125	5,269,375
Hospital revenue bonds (E)	9,920,000	9,940,000
Note payable (F)	358,012	444,690
Note payable, bank (G)	-	98,553
Note payable, bank (H)	461,134	723,177
Note payable, bank (I)	863,198	1,235,529
	17,624,545	20,065,241
Less current maturities	2,451,531	2,560,819
	$ 15,173,014	$ 17,504,422

(A) 1983 Series Hospital Revenue Bonds, bearing interest at 5%, $99,050 payable in annual installments through July 28, 2013, secured by substantially all property and equipment and the gross receipts of the Medical Center

(B) 1982 Series Hospital Revenue Bonds, bearing interest at 8 375%, $56,584 payable in annual installments through July 28, 2012, secured by substantially all property and equipment and the gross receipts of the Medical Center

(C) At varying rates of imputed interest from 2 4% to 11 5%, due through 2016, collateralized by equipment

(D) 2005 Series Hospital Revenue Bonds, bearing interest at a rate between 3 75% and 5 00%, payable in annual installments between $920,000 and $1,145,000 through September 30, 2016, secured by the gross receipts of the Medical Center

(E) 2006 Series Hospital Revenue Bonds, bearing interest at a rate between 4 10% and 4 40%, payable in annual installments between $1,285,000 and $1,590,000 through September 30, 2023, secured by the gross receipts of the Medical Center

(F) Note payable to Carder Investments for real property, variable interest rate equal to the current monthly prime rate, approximately 3 25% at September 30, 2011, principal and interest payable monthly at $10,331 per month with remaining balance due December 2015, secured by the property being financed

(G) Note payable to bank, fixed interest rate at 3 85%, principal and interest payable monthly at $16,610, due March 2012, secured by certain equipment

(H) Note payable to bank, fixed interest rate of 4 00%, principal and interest payable monthly at $23,882, due May 15, 2014, secured by certain equipment

(I) Note payable to bank, fixed interest rate of 4 25%, principal and interest payable monthly at $34,825, due November 19, 2014, secured by certain equipment

Property and equipment include the following property under capital leases

	2012	2011
Equipment	$ 7,230,566	$ 7,164,849
Less accumulated depreciation	5,473,225	5,059,263
	$ 1,757,341	$ 2,105,586

Aggregate annual maturities of long-term debt at September 30, 2012, are

	Long-term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2013	$ 1,826,764	$ 624,767
2014	1,767,547	556,866
2015	1,306,372	281,280
2016	1,247,711	241,457
2017	1,230,000	4,337
Thereafter	8,590,000	-
	15,968,394	1,708,707
Unamortized bond premium	26,125	-
	$ 15,994,519	1,708,707
Less amount representing interest		78,681
Present value of future minimum lease payments		1,630,026
Less current maturities		624,767
Noncurrent portion		$ 1,005,259

The revenue bond indentures require that the Medical Center satisfy certain measures of financial performance as long as the bonds are outstanding

Note 8: Charity Care

In support of its mission, the Medical Center voluntarily provides free care to patients who lack financial resources and are deemed to be medically indigent Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue In addition, the Medical Center provides services to other medically indigent patients under certain government-reimbursed public aid programs Such programs pay providers amounts that are less than established charges for the services provided to the recipients, and many times the payments are less than the cost of rendering the services provided The Medical Center's direct and indirect costs for services furnished under its charity care policy aggregated approximately $2 4 million and $2 9 million in 2012 and 2011, respectively

Charges excluded from revenue under the Medical Center's charity care policy were $10,709,862 and $13,136,050 for 2012 and 2011, respectively

In addition to uncompensated charges, the Medical Center also commits significant time and resources to endeavors and critical services that meet otherwise unfilled community needs Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable

Note 9: Functional Expenses

The Medical Center provides health care services primarily to residents within its geographic area Expenses related to providing these services are as follows

	2012	2011
Health care services	$ 143,424,441	$ 133,500,146
General and administrative	63,999,427	61,925,612
	$ 207,423,868	$ 195,425,758

Note 10: Operating Leases

Noncancellable operating leases for primary care outpatient offices and certain equipment expire in various years through 2016 The office space leases generally contain a renewal option for periods of five years Rent expense was $3,139,000 and $2,663,000 for 2012 and 2011, respectively

Future minimum lease payments at September 30, 2012, were

2013	$ 2,110,926
2014	2,110,896
2015	2,106,414
2016	799,929
2017	91,233
Future minimum lease payments	$ 7,219,398

Note 11: Pension Plan

The Medical Center has a defined-contribution money purchase pension plan (the Plan) covering substantially all employees Each year, the Medical Center annually determines the amount, if any, contributed to the Plan for all participants eligible for such contribution Contributions are subject to certain limitations The Medical Center incurred expenses related to contributions to the Plan of $1,924,735 and $1,936,735 during 2012 and 2011, respectively

Note 12: Disclosures About Fair Value of Financial Instruments

Accounting Standards Topic (ASC) Topic 820 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 establishes 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 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

Assets Limited as to Use

Where quoted market prices are available in an active market, securities are classified within *Level 1* of the valuation hierarchy *Level 1* securities include cash equivalents (i e , money market funds with brokers), U S Treasury notes and fixed income mutual funds 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 Inputs include maturity and coupon rates and/or closing prices of similar securities for comparable industry financial data The Medical Center did not hold any *Level 2* or *3* securities as of September 30, 2012 or 2011

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 Topic 820 hierarchy in which the fair value measurements fall at September 30, 2012 and 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)
2012				
Cash equivalents	$ 1,587,075	$ 1,587,075	$ -	$ -
Equity securities	7,273,806	7,273,806	-	-
Equity mutual funds	2,816,616	2,816,616	-	-
Fixed income mutual funds	2,927,302	2,927,302	-	-
U S Treasury obligations	1,636,723	1,636,723	-	-
Total	$ 16,241,522			
Financial instruments not carried at fair value				
Cash	14,962,072			
Certificates of deposit	21,957,926			
Total investments	$ 53,161,520			
2011				
Cash equivalents	$ 3,566,134	$ 3,566,134	$ -	$ -
Equity securities	5,580,311	5,580,311	-	-
Equity mutual funds	1,816,474	1,816,474	-	-
Fixed income mutual funds	1,762,101	1,762,101	-	-
U S Treasury obligations	1,638,183	1,638,183	-	-
Total	$ 14,363,203			
Financial instruments not carried at fair value				
Cash	11,036,543			
Certificates of deposit	22,499,026			
Total investments	$ 47,898,772			

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

The carrying amount approximates fair value

Notes Payable to Bank and 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

The following table presents estimated fair values of the Medical Center's financial instruments at September 30, 2012 and 2011

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	$ 46,801,552	$ 46,801,552	$ 32,456,157	$ 32,456,157
Assets limited as to use	53,161,520	53,161,520	47,898,772	47,898,772
Financial liabilities				
Long-term debt	17,624,545	18,117,125	20,065,241	20,141,461

Note 13: Significant Estimates and Concentrations

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

Allowance for Net Patient Service Revenue Adjustments

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

Admitting Physicians

The Medical Center is served by three admitting physicians groups whose patients comprised approximately 57% and 59% of the Medical Center's inpatient admissions in 2012 and 2011, respectively

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *6*

Self Insurance

Under the Medical Center's insurance programs, coverage is obtained for catastrophic exposures as well as those risks required to be insured by law or contract The Medical Center retains a significant portion of certain expected losses related primarily to workers' compensation and employee benefit programs Provisions for losses expected under these programs are recorded based upon the Medical Center's estimates of the aggregate liability for claims incurred The amount of actual losses incurred could differ materially from the estimates reflected in these financial statements

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 commercial insurance, for example, allegations regarding employment practices 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 The Medical Center has accrued approximately $100,000 for various litigation issues at both September 30, 2012 and 2011 Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

Note 14: Commitments and Contingencies

The Medical Center and Baptist Health – Little Rock are guarantors of a loan with an original amount of approximately $1,150,000 This loan is the obligation of Baptist Health White County, Inc , an unconsolidated subsidiary, and is secured by a mortgage on the premises of a medical office building located in Beebe, Arkansas At September 30, 2012 and 2011, the balance of this note was approximately $851,000 and $909,000, respectively

Note 15: Management Services Agreement

During 2011, the Medical Center had separate management agreements with Arkansas Health Group, an unrelated third party, to perform certain management services for Searcy Medical Center, Family Practice Associates and White County Oncology. Under the terms of the agreements, Arkansas Health Group provides practice management, administrative and financial services at each of the medical practices. The Medical Center remained liable for all financial and legal risk associated with the practices' operations and services under the agreement. On January 1, 2012, the management agreement was terminated with Arkansas Health Group, and the management services were assumed by the Medical Center.

Note 16: Related Party Transactions

During 2011, the Medical Center spent approximately $4.6 million with Delk Construction, a company owned by a board of directors member, for the construction of a cancer center.

Note 17: Subsequent Event

On December 3, 2012, the Medical Center sold River Oaks Village for approximately $7,500,000. The net realizable value of fixed assets at September 30, 2012, was approximately $6,500,000.

Note 18: Future Change in Accounting Principle

The Financial Accounting Standards Board issued Accounting Standards Updates (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU 2011-07 will require health care entities to change the presentation of the provision for bad debts from an operating expense to a deduction from revenue and enhance the disclosures related to the source of patient service revenue and the entity's policies for recognizing revenue and assessing bad debts. The Medical Center expects to first apply ASU 2011-07 for its fiscal year ended September 30, 2013.

The provision of this update will be applied retrospectively to previous years' statements for comparative purposes. The impact of applying these updates are not expected to impact previously reported changes in net assets.

Supplemental Information

White County Medical Center, Inc.

Consolidating Schedule – Balance Sheet Information

September 30, 2012

	White County Medical Center	White County Medical Foundation	Advanced Care Hospital of White County	Eliminations	Total
Assets					
Current Assets					
Cash	$ 45.731.889	$ 73.651	$ 996.012	$ -	$ 46.801.552
Assets limited as to use – current	2.205.416	-	-	-	2.205.416
Patient accounts receivable, net	18.319.679	-	1.322.277	-	19.641.956
Supplies	4.160.863	-	273.555	-	4.434.418
Prepaid expenses and other	3.250.478	256.863	111.614	(94.454)	3.524.501
Total current assets	73.668.325	330.514	2.703.458	(94.454)	76.607.843
Assets Limited as to Use					
Internally designated for capital acquisitions	47.701.062	927.408	-	-	48.628.470
Internally designated for debt service	3.134.270	-	-	-	3.134.270
Internally designated for self-insurance programs	1.398.780	-	-	-	1.398.780
	52.234.112	927.408	0	0	53.161.520
Less amount required to meet current obligations	2.205.416	-	-	-	2.205.416
	50.028.696	927.408	0	0	50.956.104
Property and Equipment, at Cost					
Land and land improvements	5.958.806	-	-	-	5.958.806
Buildings and leasehold improvements	100.032.247	-	-	-	100.032.247
Equipment	68.038.644	-	686.830	-	68.725.474
Construction in progress	255.610	-	-	-	255.610
	174.285.307	0	686.830	0	174.972.137
Less accumulated depreciation	94.810.000	-	243.334	-	95.053.334
	79.475.307	0	443.496	0	79.918.803
Other Assets					
Advances to affiliate	572.573	-	-	(572.573)	-
Investment in equity investee	1.691.288	-	-	-	1.691.288
Deferred financing costs	170.448	-	-	-	170.448
	2.434.309	0	0	(572.573)	1.861.736
Total assets	$ 205.606.637	$ 1.257.922	$ 3.146.954	$ (667.027)	$ 209.344.486

Liabilities and Net Assets

	White County Medical Center	White County Medical Foundation	Advanced Care Hospital of White County	Eliminations	Total
Current Liabilities					
Current maturities of long-term debt	$ 2.451.531	$ -	$ -	$ -	$ 2.451.531
Accounts payable	4.053.735	-	95.390	-	4.149.125
Accrued expenses	7.789.924	-	219.772	-	8.009.696
Due to affiliate	-	-	667.027	(667.027)	-
Estimated third-party payer settlements	5.203.505	-	-	-	5.203.505
Total current liabilities	19.498.695	0	982.189	(667.027)	19.813.857
Long-term Debt	15.173.014	-	-	-	15.173.014
Total liabilities	34.671.709	0	982.189	(667.027)	34.986.871
Net Assets					
Unrestricted	170.934.928	1.001.060	2.164.765	-	174.100.753
Temporarily restricted	-	256.862	-	-	256.862
Total net assets	170.934.928	1.257.922	2.164.765	-	174.357.615
Total liabilities and net assets	$ 205.606.637	$ 1.257.922	$ 3.146.954	$ (667.027)	$ 209.344.486

White County Medical Center, Inc.

Consolidating Schedule – Statement of Operations and Changes in Net Assets Information

Year Ended September 30, 2012

	White County Medical Center	White County Medical Foundation	Advanced Care Hospital of White County	Eliminations	Total
Unrestricted Revenues, Gains and Other Support					
Net patient service revenue	$ 210,284,443	$ -	$ 6,634,187	$ -	$ 216,918,630
Other	7,948,057	487,348	5,650	(276,000)	8,165,055
Total unrestricted revenues, gains and other support	218,232,500	487,348	6,639,837	(276,000)	225,083,685
Expenses and Losses					
Salaries and wages	72,901,614	-	2,972,631	-	75,874,245
Employee benefits	13,176,525	-	487,692	-	13,664,217
Purchased services and professional fees	13,141,366	-	1,139,960	-	14,281,326
Supplies and other	47,043,948	536,886	2,171,453	(276,000)	49,476,287
Depreciation and amortization	9,320,788	-	85,357	-	9,406,145
Interest	526,325	-	-	-	526,325
Provision for uncollectible accounts	44,146,005	-	49,318	-	44,195,323
Total expenses and losses	200,256,571	536,886	6,906,411	(276,000)	207,423,868
Operating Income (Loss)	17,975,929	(49,538)	(266,574)	0	17,659,817
Other Income					
Investment return	2,123,817	14,318	-	-	2,138,135
Equity in earnings of equity investee	137,974	-	-	-	137,974
Total other income	2,261,791	14,318	0	0	2,276,109
Excess (Deficiency) of Revenues over Expenses	$ 20,237,720	$ (35,220)	$ (266,574)	$ 0	$ 19,935,926

White County Medical Center, Inc.

Consolidating Schedule – Statement of Operations and Changes in Net Assets Information (Continued)

Year Ended September 30, 2012

	White County Medical Center	White County Medical Foundation	Advanced Care Hospital of White County	Eliminations	Total
Unrestricted Net Assets					
Excess of revenues over expenses	$ 20,237,720	$ (35,220)	$ (266,574)	$ -	$ 19,935,926
Assets released from restrictions	-	145,138	-	-	145,138
Contributions received for construction of property	1,040,314	(1,040,314)	-	-	-
Increase in unrestricted net assets	21,278,034	(930,396)	(266,574)	0	20,081,064
Temporarily Restricted Net Assets					
Assets released from restrictions	-	(145,138)	-	-	(145,138)
Provision for bad debt	-	(135,000)	-	-	(135,000)
Decrease in temporarily restricted net assets	0	(280,138)	0	0	(280,138)
Increase (Decrease) in Net Assets	21,278,034	(1,210,534)	(266,574)	0	19,800,926
Net Assets, Beginning of Year	149,656,894	2,468,456	2,431,339	-	154,556,689
Net Assets, End of Year	$ 170,934,928	$ 1,257,922	$ 2,164,765	$ 0	$ 174,357,615

White County Medical Center, Inc.

Schedule of Divisional Statement of Operations

Year Ended September 30, 2012

	White County Medical Center (Hospital Only)	Physician Clinics	River Oaks Village	White County Medical Center Total
Unrestricted Revenues, Gains and Other Support				
Net patient service revenue	$ 173,628,066	$ 34,858,910	$ 1,797,467	$ 210,284,443
Other	7,613,601	220,762	113,694	7,948,057
Total unrestricted revenues, gains and other support	181,241,667	35,079,672	1,911,161	218,232,500
Expenses and Losses				
Salaries and wages	50,368,496	21,706,964	826,154	72,901,614
Employee benefits	10,475,065	2,613,257	88,203	13,176,525
Purchased services and professional fees	12,290,252	851,114	-	13,141,366
Supplies and other	35,893,216	10,533,529	617,203	47,043,948
Depreciation and amortization	8,776,431	-	544,357	9,320,788
Interest	526,325	-	-	526,325
Provision for uncollectible accounts	44,146,005	-	-	44,146,005
Total expenses and losses	162,475,790	35,704,864	2,075,917	200,256,571
Operating Income (Loss)	18,765,877	(625,192)	(164,756)	17,975,929
Other Income				
Investment return	2,123,817	-	-	2,123,817
Equity in earnings of equity investee	137,974	-	-	137,974
Total other income	2,261,791	0	0	2,261,791
Excess (Deficiency) of Revenues Over Expenses and Change in Net Assets	$ 21,027,668	$ (625,192)	$ (164,756)	$ 20,237,720