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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

**A For the 2012 calendar year, or tax year beginning 10-01-2012 , 2012, and ending 09-30-2013**

<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization WEST GEORGIA MEDICAL CENTER INC		<b>D</b> Employer identification number 20-5497506	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) 1514 VERNON ROAD	Room/suite	<b>E</b> Telephone number (706) 882-1411	
	City or town, state or country, and ZIP + 4 LAGRANGE, GA 30240		<b>G</b> Gross receipts \$ 199,162,495	
	<b>F</b> Name and address of principal officer GERALD FULKS 1514 VERNON ROAD LAGRANGE, GA 30240		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)  <b>H(c)</b> Group exemption number ▶	
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J</b> Website: ▶ WWW.WGHEALTH.ORG				
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 2006	<b>M</b> State of legal domicile GA	

<b>Part I</b>	<b>Summary</b>
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE PRIMARY MISSION OF WEST GEORGIA MEDICAL CENTER IS TO PROVIDE ACCESS TO QUALITY, COST-EFFECTIVE COMMUNITY-BASED HEALTHCARE SERVICES TO RESIDENTS OF COUNTIES IN WESTERN GEORGIA AND EASTERN ALABAMA			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3	Number of voting members of the governing body (Part VI, line 1a)	3	9
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,602
6	Total number of volunteers (estimate if necessary)	6	100	
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	173,754	
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	70,226	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	920,542	178,981
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d )	184,774,702	192,233,678
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,368,069	2,087,102
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,506,589	3,410,948
			197,569,902	197,910,709
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3 )	712,102	82,570
	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)	78,330,636	76,067,714
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	116,136,646	121,968,974
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	195,179,384	198,119,258
	19	Revenue less expenses Subtract line 18 from line 12	2,390,518	-208,549
Net Assets or Fund Balances		Beginning of Current Year	End of Year	
	20	Total assets (Part X, line 16)	192,873,669	185,651,429
	21	Total liabilities (Part X, line 26)	99,550,564	94,700,447
	22	Net assets or fund balances Subtract line 21 from line 20	93,323,105	90,950,982

## 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.

<b>Sign Here</b>	*****		2014-08-08		
	Signature of officer		Date		
<b>Paid Preparer Use Only</b>	PAUL PERROTTI CFO/SENIOR VICE PRESIDENT				
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name AMY BIBBY	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P00445891
	Firm's name ► DIXON HUGHES GOODMAN LLP			Firm's EIN ► 56-0747981	
	Firm's address ► 500 RIDGEFIELD COURT ASHEVILLE, NC 28806			Phone no (828) 254-2254	
May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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

WEST GEORGIA HEALTH SERVES THE HEALTH CARE NEEDS OF PEOPLE WITHIN OUR REGION THROUGH PROFESSIONAL SERVICE, COMPASSIONATE TREATMENT AND A SAFE ENVIRONMENT, WHILE COLLABORATING WITH COMMUNITY LEADERS TO PRODUCE BETTER HEALTH FOR OUR CITIZENS

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 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 \$ 158,246,229 including grants of \$ ) (Revenue \$ 164,088,365 )

THE HOSPITAL SERVICES PROGRAM GOAL IS TO PROVIDE THE BEST POSSIBLE HEALTH CARE SERVICES TO MEET THE NEEDS OF THE PEOPLE IN TROUP AND OTHER COUNTIES IN THE GEOGRAPHICAL AREA THE PROGRAM HAD 8,273 ADMISSIONS, 29,844 INPATIENT DAYS, 59,212 OUTPATIENT EMERGENCY ROOM VISITS, 5,527 INPATIENT EMERGENCY ROOM VISITS, 1,786 INPATIENT SURGERIES, 5,551 OUTPATIENT SURGERIES, 788 INPATIENT ENDOSCOPIES, 3,977 OUTPATIENT ENDOSCOPIES, AND 934 DELIVERIES

4b

(Code ) (Expenses \$ 11,897,498 including grants of \$ ) (Revenue \$ 17,950,662 )

LONG TERM CARE INCLUDES TWO NURSING HOMES THIS PROGRAM PROVIDED 88,258 INPATIENT DAYS IN SKILLED NURSING CARE

4c

(Code ) (Expenses \$ 3,250,909 including grants of \$ ) (Revenue \$ 3,820,216 )

HOSPICE PROGRAM PROVIDED 4,112 INPATIENT DAYS OF HOSPICE CARE AND 13,403 DAYS OF HOSPICE HOME CARE

(Code ) (Expenses \$ 3,359,819 including grants of \$ 82,570 ) (Revenue \$ 6,374,435 )

ADDITIONAL EXEMPT ACTIVITY PROGRAMS INCLUDING HOME HEALTH, DIALYSIS, PHYSICIAN PRACTICES, OCCUPATIONAL EXPENSES, OCCUPATIONAL HEALTH, SCHOLARSHIPS, ETC

4d

Other program services (Describe in Schedule O )



















(Expenses \$ 3,359,819 including grants of \$ 82,570 ) (Revenue \$ 6,374,435 )

4e

Total program service expenses

176,754,455

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 <b>Section 501(c)(3) organizations.</b> 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 Yes	
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	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 and XII 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, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . .	35b		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> 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.	262	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		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.	1,602	
2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		Yes	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		Yes	
3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		Yes	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			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?			No
5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			No
5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			
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 as charitable contributions?			No
6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			
7 Organizations that may receive deductible contributions under section 170(c).			
7a 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?			No
7b If "Yes," did the organization notify the donor of the value of the goods or services provided?			
7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			No
7d If "Yes," indicate the number of Forms 8282 filed during the year.			
7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			No
7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			No
7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			
7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			
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?			
9 Sponsoring organizations maintaining donor advised funds.			
9a Did the organization make any taxable distributions under section 4966?			
9b Did the organization make a distribution to a donor, donor advisor, or related person?			
10 Section 501(c)(7) organizations. Enter			
10a Initiation fees and capital contributions included on Part VIII, line 12.			
10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11 Section 501(c)(12) organizations. Enter			
11a Gross income from members or shareholders.			
11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
13a Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.			
13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.			
13c Enter the amount of reserves on hand.			
14a Did the organization receive any payments for indoor tanning services during the tax year?			No
14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.			

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	9	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	8	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
7b	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		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	GA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
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 during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	PAUL PERROTTI SR VPCFO 1514 VERNON ROAD LAGRANGE, GA (706) 845-3934

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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) ELLEN HARRIS CHAIRMAN	1 00 2 00	X		X				0	0	0
(2) MIKE PATTON VICE CHAIRMAN	1 00 2 00	X		X				0	0	0
(3) SPEER BURDETTE TREASURER	1 00 2 00	X		X				0	0	0
(4) ANIL MODI MD SECRETARY	1 00	X		X				0	0	0
(5) KENNETH MCCAMEY BOARD MEMBER	1 00 2 00	X						0	0	0
(6) CHARLES FERGUSON MD BOARD MEMBER	1 00 1 00	X						45,150	0	0
(7) JOHN MCKIBBEN BOARD MEMBER	1 00 3 00	X						0	0	0
(8) CHARLES WARDLAW BOARD MEMBER	1 00	X						0	0	0
(9) GEORGE STEFENELLI MD BOARD MEMBER	1 00	X						0	0	0
(10) GERALD FULKS PRESIDENT/CEO	40 00 4 00			X				1,989,538	0	90,867
(11) PAUL PERROTTI SENIOR VP FINANCE/CFO	40 00 3 00			X				252,724	0	49,944
(12) LIZA FRITCHLEY VP SENIOR SERVICES	40 00 1 00			X				120,026	0	26,613
(13) TRIPP PENN PAUL PENN III VP SUPPORT SERVICES	40 00			X				134,292	0	32,563
(14) CHARIS ACREE SNR VP OPERATIONS	40 00			X				218,911	0	81,895
(15) DEBORAH BURTON VP/CHIEF NURSING OFFICER	40 00			X				166,305	0	76,837
(16) SUSAN BURDICK EXEC DIRECTOR, VERNON WOOD	1 00 40 00			X				0	80,371	32,617
(17) CATHERINE WIGGINS DIRECTOR, HOSPICE	40 00			X				84,856	0	52,398



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	▼			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	▼			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	▼	3,831,362	80,371	714,631

2

<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .
<b>4</b>	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .
<b>5</b>	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .

## **Section B. Independent Contractors**

1

DELL MARKETING 120 ROYAL STREET CANTON MA 02021	SOFTWARE	4,931,299
MORRIS & DICKSON PO BOX 51367 SHREVEPORT LA 711351367	PHARMACY - DRUGS	4,570,496
GEORGIA RADIOLOGY SERVICES LLC 5665 NEW NORTHSIDE DR STE 320 ATLANTA GA 30384	RADIOLOGY	2,874,780
THE EMORY CLINIC 1365 CLIFTON RD STE A4339 ATLANTA GA 30322	HOSPITALIST	1,496,010
SOUTHERN CRESCENT ANESTHESIOLOGY 3150 E HWY NEWNAN GA 30265	ANESTHESIOLOGY	1,314,243

2

Part VIII

Statement of Revenue

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

			(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	171,980		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	7,001		
	g	Noncash contributions included in lines 1a-1f \$		21,708		
	h	Total. Add lines 1a-1f . . . . .		178,981		
Program Service Revenue	2a	PATIENT SERVICE REVENUE	Business Code 621400	190,591,559	190,591,559	
	b	EHR INCENTIVE PROGRAM REVENUE	621400	1,271,714	1,271,714	
	c	PHARMACY	621400	276,909	276,909	
	d	LIFELINE	621400	93,496	93,496	
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f . . . . .		192,233,678		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		948,070	
4		Income from investment of tax-exempt bond proceeds . . .				
5		Royalties . . . . .				
6a		Gross rents	(i) Real 36,251	(ii) Personal 345,261		
b		Less rental expenses	0	0		
c		Rental income or (loss)	36,251	345,261		
d		Net rental income or (loss) . . . . .		381,512	36,251	345,261
7a		Gross amount from sales of assets other than inventory	(i) Securities 2,345,652	(ii) Other 45,166		
b		Less cost or other basis and sales expenses	1,251,786	0		
c		Gain or (loss)	1,093,866	45,166		
d		Net gain or (loss) . . . . .		1,139,032		1,139,032
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a			
b		Less direct expenses . . . . .	b			
c		Net income or (loss) from fundraising events . . .				
9a		Gross income from gaming activities See Part IV, line 19 . . . . .	a			
b		Less direct expenses . . . . .	b			
c		Net income or (loss) from gaming activities . . .				
10a		Gross sales of inventory, less returns and allowances .	a			
b		Less cost of goods sold . . . . .	b			
c		Net income or (loss) from sales of inventory . . .				
		Miscellaneous Revenue	Business Code			
11a		MISCELLANEOUS	621400	890,398	137,503	752,895
b	MANAGEMENT FEES	900099	885,667		885,667	
c	CAFETERIA AND VENDING	900099	684,134		684,134	
d	All other revenue . . . . .		569,237		569,237	
e	Total. Add lines 11a-11d . . . . .		3,029,436			
12	Total revenue. See Instructions . . . . .		197,910,709	192,233,678	173,754	5,324,296

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).

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.	82,570	82,570		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	1,978,351	840,548	1,137,803	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).				
7	Other salaries and wages.	56,057,131	50,330,314	5,726,817	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	4,282,057	3,775,562	506,495	
9	Other employee benefits.	9,632,919	8,493,507	1,139,412	
10	Payroll taxes.	4,117,256	3,630,254	487,002	
11	Fees for services (non-employees):				
a	Management.	92,801		92,801	
b	Legal.	429,206		429,206	
c	Accounting.	274,778		274,778	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	103,878		103,878	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	28,991,178	26,413,205	2,577,973	
12	Advertising and promotion.	667,436	56,812	610,624	
13	Office expenses.	9,945,771	6,964,903	2,980,868	
14	Information technology.	3,820,911	190,278	3,630,633	
15	Royalties.				
16	Occupancy.	2,350,732	2,057,504	293,228	
17	Travel.	600,910	375,903	225,007	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	166,955	89,311	77,644	
20	Interest.	3,625,573	3,625,573		
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	11,303,600	10,350,798	952,802	
23	Insurance.	806,808	710,311	96,497	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	UBI TAX	21,335		21,335	
b	BAD DEBT	37,995,738	37,995,738		
c	MEDICAL SUPPLIES	19,986,148	19,986,148		
d	MED STAFF DEVELOPMENT D	457,543	457,543		
e	All other expenses	327,673	327,673		
25	Total functional expenses. Add lines 1 through 24e.	198,119,258	176,754,455	21,364,803	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		4,992,395	1	5,831,033
	2	Savings and temporary cash investments		374,625	2	421,103
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		29,358,750	4	28,077,433
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		48,952	7	0
	8	Inventories for sale or use		3,475,974	8	3,391,429
	9	Prepaid expenses and deferred charges		2,968,750	9	2,504,926
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a246,141,071			
	b	Less accumulated depreciation	10b141,245,334	111,257,353	10c	104,895,737
	11	Investments—publicly traded securities		33,375,206	11	36,338,817
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		1,975,262	13	116,166
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		5,046,402	15	4,074,785
	16	Total assets. Add lines 1 through 15 (must equal line 34)		192,873,669	16	185,651,429
Liabilities	17	Accounts payable and accrued expenses		16,472,699	17	17,133,348
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		69,259,315	20	67,411,312
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		13,818,550	25	10,155,787
	26	Total liabilities. Add lines 17 through 25		99,550,564	26	94,700,447
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		84,045,187	27	83,387,380
	28	Temporarily restricted net assets		1,469,381	28	0
	29	Permanently restricted net assets		7,808,537	29	7,563,602
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		93,323,105	33	90,950,982
	34	Total liabilities and net assets/fund balances		192,873,669	34	185,651,429

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	197,910,709
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	198,119,258
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	-208,549
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	93,323,105
5	Net unrealized gains (losses) on investments . . . . .	5	-28,380
6	Donated services and use of facilities . . . . .	6	
7	Investment expenses . . . . .	7	
8	Prior period adjustments . . . . .	8	
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	-2,135,194
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	90,950,982

Part XII Financial Statements and Reporting

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

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

SCHEDULE A  
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

Open to Public Inspection

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.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WEST GEORGIA MEDICAL CENTER INC

Employer identification number  
20-5497506

Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14					
15 Public support percentage for 2011 Schedule A, Part II, line 14	15					
16a 33 1/3% support test—2012. 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—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2012. 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—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions						▶

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 8, column (f) divided by line 13, column (f))	15		
16 Public support percentage from 2011 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17		
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2012. 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—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶			



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

Facts And Circumstances Test

Explanation

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

2012

Open to Public Inspection

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

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

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

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

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

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

Name of the organization WEST GEORGIA MEDICAL CENTER INC	Employer identification number  20-5497506
---	--

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

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

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

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

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

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

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

Part II-A

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

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a)		(b)
		Yes	No	Amount
<b>1</b> 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 <b>a</b> Volunteers? <b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? <b>c</b> Media advertisements? <b>d</b> Mailings to members, legislators, or the public? <b>e</b> Publications, or published or broadcast statements? <b>f</b> Grants to other organizations for lobbying purposes? <b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body? <b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? <b>i</b> Other activities? <b>j</b> Total Add lines 1c through 1i		No		
		No		
		No		
		No		
		No		
		No		
		No		
		No		
		No		
		No		
		Yes		41,840
			41,840	
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912				
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
<b>d</b> 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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	WEST GEORGIA MEDICAL CENTER, INC. PAYS ANNUAL MEMBERSHIP DUES TO GEORGIA ALLIANCE OF COMMUNITY HOSPITALS, GEORGIA HOSPITAL ASSOCIATION, GEORGIA HEALTH CARE ASSOCIATION, AND THE AMERICAN HOSPITAL ASSOCIATION. A PORTION OF THESE DUES ARE DESIGNATED BY THESE ORGANIZATIONS FOR LOBBYING ACTIVITIES.

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization  
WEST GEORGIA MEDICAL CENTER INC

Employer identification number  
20-5497506

Part I

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

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

Part II

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

1

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

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

2

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

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

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

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

Part III

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

1a

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

b

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

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

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ 2,355,189

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

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

a

☒ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☒ Preservation for future generations

4

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

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 XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

2a

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

☐ Yes☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	9,277,918	9,327,227	9,660,005		
b Contributions . . . . .		695,000	600,000	11,684,884	
c Net investment earnings, gains, and losses		11,142	363	1,595	
d Grants or scholarships . . . . .		486,291	637,675	801,505	
e Other expenditures for facilities and programs . . . . .	1,714,316	269,160	295,466	1,224,969	
f Administrative expenses . . . . .					
g End of year balance . . . . .	7,563,602	9,277,918	9,327,227	9,660,005	

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment

100.000 %

c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

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

(i)

unrelated organizations

3a(i)

☐ Yes☐ No

(ii)

related organizations

3a(ii)

☐ Yes☐ No

b

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

3b

☐ Yes☐ No

4

Describe in Part XIII 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 . . . . .		3,837,399		3,837,399
b Buildings . . . . .		107,665,028	41,091,114	66,573,914
c Leasehold improvements . . . . .		9,245,787	4,982,986	4,262,801
d Equipment . . . . .		122,845,428	95,171,234	27,674,194
e Other . . . . .		2,547,429		2,547,429
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				104,895,737



Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	157,649,298
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	-28,380
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIII ) . . . . .	2d	-40,129,153
e	Add lines 2a through 2d . . . . .	2e	-40,157,533
3	Subtract line 2e from line 1 . . . . .	3	197,806,831
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	103,878
b	Other (Describe in Part XIII ) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	103,878
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	197,910,709

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	160,021,421
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 XIII ) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	160,021,421
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	103,878
b	Other (Describe in Part XIII ) . . . . .	4b	37,993,959
c	Add lines 4a and 4b . . . . .	4c	38,097,837
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	198,119,258

Part XIII

Supplemental Information

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

Identifier	Return Reference	Explanation
	PART III, LINE 4	THE ORGANIZATION HOLDS ART COLLECTIONS AND EXHIBITS THEM IN PUBLIC AREAS. THE EXHIBITS ENHANCE THE HEALTH CARE EXPERIENCES FOR PATIENTS, PATIENT'S FAMILIES, AND VISITORS.
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	TERM ENDOWMENT FUNDS ARE TO BE USED FOR NURSING SCHOLARSHIPS. PERMANENT ENDOWMENT FUNDS ARE TO BE USED FOR PROPERTY AND IMPROVEMENTS FOR HOSPITAL PURPOSES. ON JUNE 17, 2013, WEST GEORGIA MEDICAL CENTER AGREED TO A FORMAL RESOLUTION FOR A CHANGE IN THE ADMINISTRATION OF THE GEORGE E. SIMS, JR. NURSING SCHOLARSHIP PLAN. THE ENTIRE TERM ENDOWMENT FUNDS OF \$1,469,381 WAS TRANSFERRED TO THE LAGRANGE-TROUP COUNTY HOSPITAL AUTHORITY WHERE THE FUNDS WILL BE ADMINISTERED FOR NURSING SCHOLARSHIPS GOING FORWARD.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE ORGANIZATION IS EXEMPT FROM INCOME TAX PURSUANT TO INTERNAL REVENUE CODE SECTION 501 (A), AS AN ORGANIZATION DESCRIBED IN SECTION 501 (C)(3). RELATED INCOME IS GENERALLY NOT SUBJECT TO FEDERAL AND STATE INCOME TAXES. THE ORGANIZATION HAS EVALUATED ITS TAX POSITION AND HAS DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF SEPTEMBER 30, 2013 AND 2012. FISCAL YEARS ENDING ON AND AFTER SEPTEMBER 30, 2010 REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES.
PART XI, LINE 2D - OTHER ADJUSTMENTS		PENSION LIABILITY ADJUSTMENT 4,601,970. PROVISION FOR BAD DEBT -37,993,959. EQUITY TRANSFER TO AFFILIATE PSO -5,267,783. SIMS EQUITY TRANSFER TO HOSPITAL AUTHORITY -1,469,381.
PART XII, LINE 4B - OTHER ADJUSTMENTS		PROVISION FOR BAD DEBT 37,993,959.



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

2012

Open to Public Inspection

**Name of the organization**  
WEST GEORGIA MEDICAL CENTER INC

**Employer identification number**  
20-5497506

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," was it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for <i>free</i> care  <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>12500 0000000000 %</u>  b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>37500 0000000000 %</u>  c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care  4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	3a	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	3b	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	4	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5a	Yes	
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	5b	Yes	
b	If "Yes," did the organization make it available to the public? . . . . .	5c		No
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	6a	Yes	
		6b	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1) . . . . .			6,085,023		6,085,023	3 800 %
b Medicaid (from Worksheet 3, column a) . . . . .			29,781,180	23,323,579	6,457,601	4 030 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .			716,139	373,396	342,743	0 210 %
d <b>Total</b> Financial Assistance and Means-Tested Government Programs . . . . .			36,582,342	23,696,975	12,885,367	8 040 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			581,940		581,940	0 360 %
f Health professions education (from Worksheet 5) . . . . .			2,459,081		2,459,081	1 540 %
g Subsidized health services (from Worksheet 6) . . . . .						
h Research (from Worksheet 7) . . . . .			132		132	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			11,244		11,244	0 010 %
j <b>Total.</b> Other Benefits . . . . .			3,052,397		3,052,397	1 910 %
k <b>Total.</b> Add lines 7d and 7j . . . . .			39,634,739	23,696,975	15,937,764	9 950 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			1,057		1,057	0 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total			1,057		1,057	

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?

1

No

2Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount.

2

13,472,046

3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit.

3

0

4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME).

5

35,298,074

6Enter Medicare allowable costs of care relating to payments on line 5.

6

34,073,631

7Subtract line 6 from line 5. This is the surplus (or shortfall).

7

1,224,443

8Describe 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

9aDid the organization have a written debt collection policy during the tax year?

9a

Yes

bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.

9b

Yes

Part IVManagement Companies and Joint Ventures

(owned 10% or more by officers, directors, trustees, key employees, and physicians—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—see instructions)  
How many hospital facilities did the organization operate during the tax year?  
1

Name, address, and primary website address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
1	WEST GEORGIA MEDICAL CENTER INC 1514 VERNON ROAD LAGRANGE, GA 30240	X	X					X			

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

WEST GEORGIA MEDICAL CENTER

Name of hospital facility or facility reporting group

For single facility filers only: line Number of Hospital Facility (from Schedule H, Part V, Section A)

1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . . If "Yes," indicate what the CHNA report describes (check all that apply)	1 Yes	
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a CHNA 20 <u>12</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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 Yes	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	No
5 Did the hospital facility make its CHNA report widely available to the public? . . . . . If "Yes," indicate how the CHNA report was made widely available (check all that apply)	5 Yes	
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date)		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input checked="" type="checkbox"/> Execution of the implementation strategy		
c <input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
d <input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input checked="" type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .	7	No
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .	8a	No
b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .	8b	
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$_____		

Part V

Facility Information (continued)

Financial Assistance Policy		Yes	No
<b>9</b> Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		<b>9</b>	Yes
<b>10</b> Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>125 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>10</b>	Yes
<b>11</b> Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>375 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used		<b>11</b>	Yes
<b>12</b> Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply)		<b>12</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> Income level			
<b>b</b> <input type="checkbox"/> Asset level			
<b>c</b> <input checked="" type="checkbox"/> Medical indigency			
<b>d</b> <input checked="" type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input checked="" type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>13</b> Explained the method for applying for financial assistance? . . . . .		<b>13</b>	Yes
<b>14</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply)		<b>14</b>	Yes
<b>a</b> <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website			
<b>b</b> <input type="checkbox"/> The policy was attached to billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility			
<b>f</b> <input type="checkbox"/> The policy was available upon request			
<b>g</b> <input checked="" type="checkbox"/> Other (describe in Part VI)			
Billing and Collections			
<b>15</b> 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? . . . . .		<b>15</b>	Yes
<b>16</b> Check all of the following 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			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> 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? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged		<b>17</b>	No
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			

Part V

Facility Information (continued)

- 18
- Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)
- a

☐

Notified individuals of the financial assistance policy on admission
- b

☐

Notified individuals of the financial assistance policy prior to discharge
- c

☐

Notified individuals 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)

Policy Relating to Emergency Medical Care

		Yes	No
19	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? . . . . .	Yes	
	If "No," indicate why		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20	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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
	b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
	c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
	d <input checked="" type="checkbox"/> Other (describe in Part VI)		
21	During the tax year, did the hospital facility charge any FAP-eligible individuals 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? . . . . .		No
	If "Yes," explain in Part VI		
22	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? . . . . .		No
	If "Yes," explain in Part VI		

Part V

Facility Information (continued)

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year?

6

Name and address	Type of Facility (describe)
1 FLORENCE HAND HOME 200 MEDICAL DRIVE LAGRANGE, GA 30240	LONG TERM CARE
2 HOSPICE LAGRANGE 1510 VERNON ROAD LAGRANGE, GA 30240	HOSPICE
3 WEST GEORGIA HOME CARE 120 GLEN BASE ROAD LAGRANGE, GA 30240	HOME HEALTH, SKILLED NURSING
4 WOMEN'S HEALTH CENTER 1420 VERNON ROAD LAGRANGE, GA 30240	WOMEN'S CENTER
5 WEST GEORGIA WOUND CARE 1600 VERNON RD SUITE G LAGRANGE, GA 30240	WOUND CARE
6 TWIN FOUNTAINS HOME 1400 HOGANSVILLE ROAD LAGRANGE, GA 30240	LONG TERM CARE
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, Part V, Section A, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22
- 2

**Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3

**Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4

**Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5

**Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6

**Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7

**State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report
- 8

**Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 37995738
		PART II WEST GEORGIA HEALTH HAS BEEN THE COMMUNITY HOSPITAL FOR LAGRANGE AND THE WEST CENTRAL AREA OF GEORGIA FOR OVER SEVENTY YEARS, ALWAYS STRIVING TO PROVIDE EXCELLENT SERVICE TO OUR PATIENTS IT IS THE ONLY HOSPITAL WITHIN A 35 MILES RADIUS FOR MANY COMMUNITY MEMBERS IN THE SERVICE AREA THE LEADERSHIP AND STAFF OF WGH PARTICIPATE IN MANY GROUP EVENTS AND ACTIVITIES THROUGHOUT THE YEAR IN FY 2013, SEVERAL MEMBERS OF OUR LEADERSHIP TEAM SAT ON COMMITTEES AND THE BOARD OF THE LAGRANGE-TROUP COUNTY CHAMBER OF COMMERCE MANY OTHERS HAVE SERVED IN THE CHAIRPERSON ROLE IN PREVIOUS YEARS OTHER COMMUNITY ORGANIZATIONS SUPPORTED BY WEST GEORGIA HEALTH INCLUDE BRIDGE OUT OF POVERTY, CERTIFIED LITERATE COMMUNITY PROGRAM (CLCP), JUNIOR VOLUNTEER PROGRAM, THE BOYS AND GIRLS CLUB OF WEST GEORGIA, KIWANIS CLUB, LIONS CLUB, PATHWAYS MENTORING PROGRAM, CB&T BOARD, THE DEVELOPMENT AUTHORITY, TROUP COUNTY CENTER FOR STRATEGIC PLANNING, AND TROUP COUNTY SCHOOL SYSTEM FOR HEALTH CAREERS WGH IS AN EMPLOYMENT ENGINE FOR THE BUSINESS COMMUNITY HAVING CONTINUOUS INVOLVEMENT IN MUCH OF WHAT THE CHAMBER DOES EVERY DAY WGH PERFORMS PERIODIC EMERGENCY RESPONSE DRILLS TO ASSIST IN PREPARING THE COMMUNITY AND TO CONTINUOUSLY IMPROVE RESPONSE AND COMMUNICATION IN CASE OF A COMMUNITY-WIDE EMERGENCY TEAM MEMBERS OF THE HOSPITAL SERVE ON BOARDS OF SEVERAL AGENCIES, WORKING IN AND WITH ALL LEVELS OF THE EDUCATION SYSTEM, AS WELL AS THE SENIOR POPULATION IN THE SERVICE AREA WGH CONSTANTLY LISTENS TO THE COMMUNITY REGARDING HEALTHCARE NEEDS AND PERFORMS SURVEYS TO GET A MORE IN-DEPTH UNDERSTANDING OF THE NEEDS OF THE COMMUNITY WGH RECRUITS SPECIALTY PHYSICIANS TO MEET IDENTIFIED NEEDS, (CARDIOLOGY, NEUROLOGY, RADIOLOGY, ONCOLOGY JUST TO MENTION A FEW), ALONG WITH GENERAL PRACTITIONERS, OB-GYNS, ETC OUR NEW SOUTH TOWER WAS OFFICIALLY OPENED IN JUNE, 2010, WITH STATE OF THE ART FACILITY AND EQUIPMENT TO PROVIDE EXCELLENT SERVICE AND CARE IN THE AREAS OF EMERGENCY CARE, CARDIOLOGY, ICU, AND LABOR & DELIVERY WGH WELCOMED TO OUR COMMUNITY THE NEW WOMEN'S CENTER IN LATE 2010, WHICH PROVIDE MANY OF THE SERVICES WOMEN OF ALL AGES NEED AND HAVE ASKED FOR IN THE COMMUNITY



Identifier	ReturnReference	Explanation
		PART III, LINE 4 FOOTNOTE BAD DEBT EXPENSE WAS COMPUTED SO AS TO REFLECT THE ESTIMATED NET REALIZABLE AMOUNTS RECEIVABLE FROM PATIENTS, THIRD-PARTY PAYORS AND OTHERS FOR SERVICES RENDERED FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE A PROVISION FOR BAD DEBT IF NECESSARY FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE RECOVERIES OF ACCOUNTS PREVIOUSLY WRITTEN OFF ARE RECORDED AS A REDUCTION TO THE PROVISION FOR BAD DEBT EXPENSE BAD DEBT EXPENSE WAS COMPUTED USING THE COST TO CHARGE RATIO
		PART III, LINE 8 MEDICARE ALLOWABLE COSTS WERE CALCULATED USING MEDICARE COST REPORTS

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE ORGANIZATION HAS A FINANCIAL ASSISTANCE POLICY WHICH GOVERNS ELIGIBILITY CRITERIA AND COLLECTON PRACTICES FOR ALL PATIENTS AND PATIENTS KNOWN TO QUALIFY FOR CHARITY AND OTHER FINANCIAL ASSISTANCE ONCE A PATIENT IS DETERMINED TO QUALIFY FOR CHARITY CARE, IT IS NOTED IN THE PATIENT'S FINANCIAL CHART AND ANY COLLECTON EFFORTS CEASE
WEST GEORGIA MEDICAL CENTER		PART V, SECTION B, LINE 3 THE WEST GEORGIA HEALTH COMMUNITY HEALTH NEEDS ASSESSMENT STEERING COMMITTEE IDENTIFIED COMMUNITY LEADERS, PARTNERS, AND REPRESENTATIVES TO INCLUDE IN THE CHNA PROCESS REPRESENTATIVES OF GROUPS, OR INDIVIDUALS, WHO REPRESENT MEDICALLY UNDERSERVED POPULATIONS, LOW INCOME POPULATIONS, MINORITY POPULATIONS, AND POPULATIONS WITH CHRONIC DISEASES WERE INCLUDED WEST GEORGIA HEALTH IDENTIFIED OVER 120 COMMUNITY MEMBERS TO PARTICIPATE IN THE CHNA PROCESS KEY COMMUNITY STAKEHOLDERS WHO WERE INTERVIEWED INCLUDED BART MCFADDEN OF THE BOYS AND GIRLS CLUB OF WEST GEORGIA, CARL VON EPPS OF THE GEORGIA HOUSE OF REPRESENTATIVES, DEBBIE BURDETTE FROM TROUP COUNTY SCHOOLS, ELIA BALTES OF THE DASH PROGRAM AND CHILI PROGRAM, JACK EATMON OF THE TROUP FAMILY CONNECTION, JUDY WRIGHT FROM WGH SOCIAL SERVICES, KAY DURAND OF THE TROUP COUNTY CENTER FOR STRATEGIC PLANNING, INC , LARRY ASPLUND, THE PASTOR OF NEW COMMUNITY CHURCH, MELODY WEGIENKA, A PUBLIC HEALTH NURSE OF THE DISTRICT 4 PUBLIC HEALTH DEPARTMENT, MICHELE BEDINGFIELD FROM THE HARMONY HOUSE, MICHELE THOMPSON FROM WOMEN'S FIRST CHOICE, NORMA TUCKER, A CITY COUNCIL MEMBER, FROM FIRST STEPS PROGRAM, PAT ROBINSON FROM THE SENIOR CORP CENTER, SHAY THORNTON FROM THE DEPARTMENT OF FAMILY AND CHILDREN SERVICES, VALERIE WEST, A BOARD MEMBER FROM NATIONAL ALLIANCE ON MENTAL ILLNESS, SERVING ON THE TROUP COUNTY MENTAL HEALTH TASK FORCE, WANDA SCARBOROUGH FROM TROUP TRANSFORMATION COMMUNITY FOCUS GROUP PARTICIPANTS INCLUDED ALISHA SCOTT, A COURT PUBLIC DEFENDER, ALTON WEST FROM THE CITY OF LAGRANGE COMMUNITY DEVELOPMENT, BUCK DAVIS FROM THE TROUP COUNTY COMMISSION, CANDACE WORTHAM FROM TROUP CARES, CARL VON EPPS, A STATE REPRESENTATIVE, CARRIE BKRICH FROM TROUP CO STRATEGIC PLANNING, CATHY SMITH FROM DASH, CHARLENE MCCLANAHAN FROM WEST GEORGIA HEALTH ONCOLOGY DEPARTMENT, CHRIS POWELL FROM THE SALVATION ARMY, DAN WOOTEN FROM ACTIVE LIFE SENIORS, DAVE MILLER FROM NEW VENTURES, DEBBIE BURDETTE, ALITERACY VOLUNTEER/ACTIVIST, DEBORAH BURTON FROM WEST GEORGIA HEALTH, DIANE HARRELL FROM THE CENTER FOR COMMUNITY STUDIES, DONA CHERRY FROM TROUP CARES NETWORK, DR JAY GIESLER A PHYSICIAN, DR SANDY SIMMONS A PHYSICIAN, GAIL GORDON FROM SUCCESS BY SIX, JACK EATMON FROM TROUP FAMILY CONNECTION, JACK LEIDNER FROM HOGANSVILLE CITY COUNCIL, JANICE HETHCOX FROM TROUP BELL, JEAN CROCKER FROM HOGANSVILLE CITY COUNCIL, JEANNETTE LITTLE STATE FROM COURT JUDGE, JEFF LUKKEN, MAYOR OF THE CITY OF LAGRANGE, JUDY WRIGHT, WGH SOCIAL SERVICES, KAREN CAGLE FROM TROUP COUNTY SCHOOLS, KEN SMITH FROM TROUP CO COMMISSION, MANDY HILL FROM TWIN CEDARS YOUTH COUNCIL, MELODY WEGIENKA, A PUBLIC HEALTH NURSE FROM THE DISTRICT 4 PUBLIC HEALTH DEPARTMENT, MICHELE THOMPSON FROM WOMEN'S FIRST CHOICE, MIKE ANGSTADT FROM TWIN CEDARS YOUTH & FAMILY SERVICES, MORRIS JONES FROM TROUP COUNTY COMMISSIONER, NORMA TUCKER FROM FIRST STEPS & CITY COUNCIL, PASTOR HUGO OROPEZA FROM HISPANIC CHURCH, PATRICIA ROBINSON FROM SENIOR CORP, PATTI YOUNGBLOOD FROM THE UNITED WAY OF W GEORGIA, INC , RANDY NIX, A GEORGIA STATE REPRESENTATIVE, RICHARD ENGLISH FROM THE TROUP COUNTY COMMISSION, SPEER BURDETTE FROM THE CALLAWAY FOUNDATION, TRIPP PENN FROM WEST GEORGIA HEALTH, VALERIE WEST, A BOARD MEMBER AT THE NATIONAL ALLIANCE ON MENTAL ILLNESS, AND FROM THE TROUP COUNTY MENTAL HEALTH TASK FORCE, WANDA SCARBOROUGH FROM TROUP TRANSFORMATION

Identifier	ReturnReference	Explanation
WEST GEORGIA MEDICAL CENTER		PART V, SECTION B, LINE 7 THERE ARE TWO NEED AREAS THAT WERE IDENTIFIED THAT WEST GEORGIA MEDICAL CENTER WILL NOT ADDRESS MENTAL HEALTH AND DRUG AND ALCOHOL ABUSE AT THIS TIME THE HOSPITAL DOES NOT HAVE QUANTITATIVE DATA TO ADDRESS THESE NEEDS DIRECTLY, AND THEY ARE BEYOND THE MISSION AND FINANCIAL RESOURCES OF THE HOSPITAL
WEST GEORGIA MEDICAL CENTER		PART V, SECTION B, LINE 14G ANNUAL NOTIFICATION IN LOCAL GENERAL CIRCULATION NEWSPAPER ALSO, INDIVIDUAL NOTIFICATION OF THE POLICY IS GIVEN AT REGISTRATION TO ALL PATIENTS

Identifier	ReturnReference	Explanation
WEST GEORGIA MEDICAL CENTER		PART V, SECTION B, LINE 17E WE PROACTIVELY COMMUNICATE THE FACILITY'S PARTICIPATION IN THE INDIGENT PROGRAM
WEST GEORGIA MEDICAL CENTER		PART V, SECTION B, LINE 20D ALL PATIENTS ARE INITIALLY CHARGED THE SAME THE ORGANIZATION USES THE FEDERAL POVERTY LEVEL GUIDELINES TO DETERMINE THE DISCOUNT ADJUSTMENT AMOUNT THE ORGANIZATION IS MONITORING THE PROCEDURES OUTLINED IN PROP REG 1 501(R)-5 TO DETERMINE THE AMOUNTS GENERALLY BILLED FOR THE FACILITY UNTIL SUCH TIME AS THOSE PROCEDURES ARE ADOPTED, THE ORGANIZATION IS CONFIDENT THAT ITS DISCOUNTS UNDER ITS FINANCIAL ASSISTANCE POLICY ARE SUBSTANTIALLY LARGE ENOUGH TO BE IN COMPLIANCE WITH SEC 501(R)(5) AND THE LIMITS SET ON CHARGES THEREUNDER

Identifier	ReturnReference	Explanation
WEST GEORGIA MEDICAL CENTER		PART V, SECTION B, LINE 22 ALL PATIENTS ARE CHARGED THE SAME CDM PRICING ADJUSTMENTS ARE LATER MADE BASED ON THE INDIVIDUALS APPLICATION FOR FINANCIAL ASSISTANCE AS COMPARED TO THE FPL GUIDELINES
		PART VI, LINE 2 WEST GEORGIA MEDICAL CENTER IDENTIFIED AND ASSESSED THE HEALTH NEEDS OF THE COMMUNITY THROUGH THE FOLLOWING STEPS 1)THE HOSPITAL'S CEO DEVELOPED AN INTERNAL STEERING COMMITTEE 2)THE COMMITTEE DEFINED THE COMMUNITY AS ITS PRIMARY SERVICE AREA - TROUP COUNTY, GA 3)THE COMMITTEE IDENTIFIED AND ENGAGED COMMUNITY LEADERS AND STAKEHOLDERS 4) WGMC WORKED WITH DRAFFIN & TUCKER, LLP TO CREATE A COMMUNITY HEALTH PROFILE WHICH ADDRESSED ACCESS TO PREVENTIVE HEALTH SERVICES, UNDERLYING CAUSES OF HEALTH PROBLEMS, AND MAJOR CHRONIC DISEASES OF THE POPULATION SECONDARY DATA CAME FROM A VARIETY OF SOURCES INCLUDING VITAL RECORDS, STATE AND NATIONAL HEALTH STATUS DATA AND HOSPITAL UTILIZATION DATA 5)THE TEAM GAINED COMMUNITY INPUT VIA MEETINGS WITH COMMUNITY LEADERS AND STAKEHOLDERS 6)THE TEAM DEVELOPED A PRIORITIZATION OF NEEDS TO ADDRESS 7)THE TEAM DEVELOPED IMPLEMENTATION STRATEGIES TO ADDRESS THE IDENTIFIED NEEDS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE ORGANIZATION NOTIFIES PATIENTS (OR THEIR REPRESENTATIVES) OF THIS POLICY AT REGISTRATION SIGNAGE IS POSTED IN BOTH ENGLISH AND SPANISH INFORMATION AND APPLICATIONS FOR FINANCIAL ASSISTANCE ARE AVAILABLE IN THE ADMISSIONS OFFICE AND EMERGENCY DEPARTMENT WEST GEORGIA HEALTH COMMUNICATES THE AVAILABILITY OF FINANCIAL ASSISTANCE TO THE COMMUNITY BY COMMUNICATION ON THE HOSPITAL INTERNET SITE, AND VIA POSTINGS IN INTAKE AREAS WGH ASSURES THE LATEST UPDATES ARE AVAILABLE FOR PUBLIC COMMUNICATIONS ANNUALLY
		PART VI, LINE 4 WEST GEORGIA HEALTH SERVICES, INC (WGHS) IS A 558-BED FACILITY LOCATED IN LAGRANGE, GEORGIA, APPROXIMATELY 70 MILES SOUTH OF ATLANTA WGH'S PRIMARY SERVICE AREA IS TROUP COUNTY WITH A POPULATION OF APPROXIMATELY 68,000, BUT IT ALSO SERVES OTHER COUNTIES IN THE WEST CENTRAL GEORGIA AND EAST CENTRAL ALABAMA APPROXIMATELY 22% OF THE POPULATION IN THE SERVICE AREA IS LIVING AT OR BELOW POVERTY LEVEL ALMOST 71% OF THE POPULATION IS BETWEEN THE AGES OF 18 AND 64 ONLY ABOUT 13% OF THE POPULATION IN THE SERVICE AREA IS OVER THE AGE OF 65 THE MEDIAN HOUSEHOLD INCOME IN THE PRIMARY SERVICE AREA IS APPROXIMATELY \$40,000

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 THE ORGANIZATION'S BOARD IS COMPRISED PRIMARILY OF RESIDENTS OF THE PRIMARY SERVICE AREA MEDICAL STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN SELECT DEPARTMENTS ALL SURPLUS FUNDS ARE REINVESTED INTO HEALTHCARE SERVICES FOR THE COMMUNITY IN ADDITION TO OPERATING A 276-BED HOSPITAL, WGMC ALSO OPERATES A 16-BED HOSPICE FACILITY AND TWO NURSING HOMES (265-BEDS) WEST GEORGIA MEDICAL CENTER AND ITS EMPLOYEES SERVE OUR COMMUNITY THROUGH A VARIETY OF SCREENING EVENTS, HEALTH FAIRS, EDUCATIONAL SESSIONS AND SERVICE CLINICS SUCH SCREENING EVENTS INCLUDE - PAINT THE TOWN PINK BREAST CANCER AWARENESS EVENT, TROUP FAMILY EXPO, THE ANNUAL SUPERSTAR FOOTBALL CAMP, ANNUAL \$5 PROSTATE SCREENINGS, CLINICAL BREAST EXAMS/VOUCHERS FOR FREE MAMMOGRAM FOR WOMEN WHO QUALIFY (A PARTNERSHIP WITH WEST GEORGIA CANCER COALITION) AND THE BRINGING THE AGES HEALTH EXPO, AMONG OTHERS
		PART VI, LINE 6 THE ORGANIZATION (WGMC) IS PART OF WEST GEORGIA HEALTH SERVICES, INC , A MULTI-ENTITY HEALTHCARE SYSTEM OTHER ORGANIZATIONS IN THE SYSTEM INCLUDE (1) WEST GEORGIA HEALTH SERVICES, INC - WGHS SERVES AS THE PARENT ORGANIZATION OF THE SYSTEM AND PROVIDES STRATEGIC DIRECTION FOR THE SYSTEM (2) VERNON WOODS RETIREMENT COMMUNITY, INC - VERNON WOODS OPERATES A RETIREMENT COMMUNITY OFFERING BOTH ASSISTED AND INDEPENDENT LIVING (3) WEST GEORGIA HEALTH FOUNDATION, INC - THE FOUNDATION PROVIDES FUNDRAISING AND SUPPORT FOR WEST GEORGIA HEALTH SERVICES, INC AND ITS AFFILIATES (4) WEST GEORGIA HEALTH PHYSICIANS INC - THIS IS A PHYSICIAN SERVICE ORGANIZATION WHICH PROVIDES SPECIALIZED MEDICAL SERVICES TO THE COMMUNITY

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	GA



Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WEST GEORGIA MEDICAL CENTER INC

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

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

OMB No 1545-0047

2012

Open to Public  
Inspection

Employer identification number  
20-5497506

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) TROUP CARES 301 MEDICAL DRIVE 501 LAGRANGE,GA 30240	20-8176300	501(C)(3)	50,000				SUPPLEMENTAL SUPPORT
(2) BOYS AND GIRLS CLUB OF WEST GEORGIA PO BOX 1328 LAGRANGE,GA 30241	58-1998988	501(C)(3)	20,000				SUPPORT FOR GO HEALTHY! PROGRAMMING AT LAGRANGE AND HOGANSVILLE CLUBS
(3) TROUP COUNTY CENTER FOR STRATEGIC PLANNING 100 RIDLEY AVENUE STE 2200 LAGRANGE,GA 30240	27-0863139	501(C)(3)	5,000				OPERATIONAL SUPPORT

2

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

3

3

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

0

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

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

Part IV Supplemental Information.		
Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information		
Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 GRANTS MADE TO INDIVIDUALS ARE NOT PAID DIRECTLY TO THE INDIVIDUAL UNLESS SUBSTANTIATED BY RECEIPTS MOST PAYMENTS ARE MADE DIRECTLY TO THE EDUCATIONAL INSTITUTION FOR THE GRANT RECIPIENT'S TUITION AND BOOKS GRANTS MADE TO GOVERNMENTS AND ORGANIZATIONS ARE NOT MONITORED

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

2012

Open to Public Inspection

Name of the organization  
WEST GEORGIA MEDICAL CENTER INC

Employer identification number  
20-5497506

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of 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 filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization: <div><div>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4a		No
		4b	Yes	
		4c		No
	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: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III.	5a		No
		5b		No
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: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III.	6a		No
		6b		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

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

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

(A) Name and Title		(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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	PART I, LINE 1A	THE ORGANIZATION PAYS MINOR SPOUSAL TRAVEL AND COUNTRY CLUB DUES FOR THE CEO ONLY. THESE ARE ADDED TO HIS TAXABLE COMPENSATION.
	PART I, LINE 4B	EMPLOYER CONTRIBUTIONS TO THE 457(F) EXECUTIVE RETIREMENT BENEFIT PLAN INCLUDE \$20,260 FOR PAUL PERROTTI, CFO AND \$55,700 FOR GERALD FULKS, CEO. DURING THE YEAR GERALD FULKS RECEIVED A PAYOUT OF \$1,604,903.

Software ID:  
Software Version:  
EIN: 20-5497506  
Name: WEST GEORGIA MEDICAL CENTER INC

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
GERALD FULKS	(i)	374,812	0	1,614,726	74,429	16,438	2,080,405	1,604,903
	(ii)	0	0	0	0	0	0	0
PAUL PERROTTI	(i)	251,134	0	1,590	30,039	19,905	302,668	0
	(ii)	0	0	0	0	0	0	0
TRIPP PENN PAUL PENN III	(i)	132,513	0	1,779	6,010	26,553	166,855	0
	(ii)	0	0	0	0	0	0	0
CHARIS ACREE	(i)	215,473	0	3,438	58,702	23,193	300,806	0
	(ii)	0	0	0	0	0	0	0
DEBORAH BURTON	(i)	161,349	0	4,956	63,351	13,486	243,142	0
	(ii)	0	0	0	0	0	0	0
DON Y DAVIS	(i)	147,432	0	0	38,351	0	185,783	0
	(ii)	0	0	0	0	0	0	0
MARY A SPARROW	(i)	139,961	0	0	39,229	6,985	186,175	0
	(ii)	0	0	0	0	0	0	0
DEBORAH BOSWELL	(i)	137,584	500	0	34,432	20,458	192,974	0
	(ii)	0	0	0	0	0	0	0
JOE D CALHOUN JR	(i)	135,142	600	0	66,864	15,454	218,060	0
	(ii)	0	0	0	0	0	0	0
CAROL M TODD	(i)	139,604	0	0	22,897	750	163,251	0
	(ii)	0	0	0	0	0	0	0

Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
WEST GEORGIA MEDICAL CENTER INC

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 Part VI.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Employer identification number  
20-5497506

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	LAGRANGE-TROUP COUNTY HOSPITAL AUTHORITY	56-2609278	507154AF9	07-31-2008	45,434,268	CONSTRUCTION		X		X		X
B	LAGRANGE-TROUP COUNTY HOSPITAL AUTHORITY	56-2609278	NONEAVAIL	01-15-2010	24,000,000	CONSTRUCTION/REFUNDING		X		X		X
C	LAGRANGE-TROUP COUNTY HOSPITAL AUTHORITY	56-2609278	NONEAVAIL	06-22-2010	4,000,000	CAPITAL ACQUISITION		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	3,090,000		1,282,696		1,996,749			
2	Amount of bonds legally defeased								
3	Total proceeds of issue	46,001,275		24,000,000		4,003,565			
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds	4,619,242		463,425					
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	900,528		154,434		75,509			
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	45,782,302		23,382,141		4,003,564			
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2011		2011		2013		YesNo	
		Yes	No	Yes	No	Yes	No		
14	Were the bonds issued as part of a current refunding issue?		X	X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		
b	Exception to rebate?	X		X		X			
c	No rebate due?		X		X		X		
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X		X		X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								



Part IV Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7	Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has 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?								

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

Identifier	Return Reference	Explanation
SCH K, PART I, COLUMN (F)	DESCRIPTION OF PURPOSE	PROCEEDS FOR ALL BONDS LISTED ARE FOR THE PURPOSE OF FINANCING HEALTHCARE FACILITIES OF A 501(C)(3) ORGANIZATION SERIES 2008A WAS ISSUED FOR THE FOLLOWING PURPOSE (1) TO FINANCE OR REFINANCE A PORTION OF THE COSTS OF CERTAIN FACILITIES INCLUDING THE ACQUISITION AND CONSTRUCTION OF ADDITIONAL HEALTHCARE FACILITIES AND THE RENOVATION OF EXISTING HEALTHCARE FACILITIES OF THE AUTHORITY IN TROUP COUNTY, GEORGIA, WHICH ARE PART OF WEST GEORGIA MEDICAL CENTER, (2) TO PAY CAPITALIZED INTEREST DURING THE CONSTRUCTION PERIOD OF THE PROJECT, AND (3) TO PAY COSTS OF ISSUANCE OF THE SERIES 2008A CERTIFICATES SERIES 2010 WAS ISSUED FOR THE FOLLOWING PURPOSE (1) TO FINANCE OR REFINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND INSTALLING OF CERTAIN ADDITIONS, EXTENSIONS, AND IMPROVEMENTS TO WEST GEORGIA MEDICAL CENTER, (2) TO PAY OFF A PROMISSORY NOTE ISSUED TO THE PURCHASER IN CONNECTION WITH A LOAN MADE TO WEST GEORGIA MEDICAL CENTER, AND (3) TO PAY OFF ALL OR A PORTION OF THE COST OF ISSUANCE OF THE SERIES 2010 CERTIFICATES SERIES 2010B WAS ISSUED FOR THE FOLLOWING PURPOSE (1) TO FINANCE OR REFINANCE ALL OR A PORTION OF THE COST OF THE ACQUISITION AND INSTALLATION OF CERTAIN HEALTHCARE EQUIPMENT AND OTHER EQUIPMENT AT WEST GEORGIA MEDICAL CENTER, AND (2) TO PAY ALL OR A PORTION OF THE COSTS OF ISSUANCE OF THE SERIES 2010B CERTIFICATES

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

2012

Open to Public Inspection

Name of the organization WEST GEORGIA MEDICAL CENTER INC	Employer identification number  20-5497506
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Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF THE ORGANIZATION IS WEST GEORGIA HEALTH SERVICES, INC , A RELATED 501(C)3 ORGANIZATION
	FORM 990, PART VI, SECTION A, LINE 7A	THE CORPORATION MAY NOT APPOINT OR REMOVE A DIRECTOR OR THE PRESIDENT AND THE CHIEF EXECUTIVE OFFICER OF THE CORPORATION WITHOUT THE APPROVAL OF ITS SOLE MEMBER, WEST GEORGIA HEALTH SERVICES, INC
	FORM 990, PART VI, SECTION A, LINE 7B	PER ARTICLE IX OF ARTICLES OF INCORPORATION, "NOTWITHSTANDING ANY OTHER PROVISIONS OF THESE ARTICLES OF INCORPORATION OR THE CORPORATION'S BYLAWS, THE CORPORATION MAY NOT TAKE ANY OF THE FOLLOWING ACTIONS WITHOUT THE APPROVAL OF ITS SOLE MEMBER, WEST GEORGIA HEALTH SERVICES, INC (I) AMEND OR RESTATE THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE CORPORATION, (II) APPOINT OR REMOVE A DIRECTOR OR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION, (III) ORGANIZE ANY SUBSIDIARY CORPORATION OR ENTER INTO ANY JOINT VENTURE OR PARTNERSHIP, (IV) ADOPT A PLAN OF LIQUIDATION OR DISSOLUTION (V) ENTER INTO ANY TRANSACTION PROVIDING FOR THE SALE, MORTGAGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION, OR PROVIDING FOR A CHANGE IN CONTROL OVER THE CORPORATION, (VI) ADOPT A PLAN OF MERGER OR CONSOLIDATION WITH ANOTHER CORPORATION, (VII) ADOPT OR AMEND AN ANNUAL OPERATING BUDGET OR CAPITAL BUDGET OR MAKE ANY EXPENDITURE IN EXCESS OF \$50,000 EXCEPT PURSUANT TO A BUDGET OR EXPENDITURE POLICIES APPROVED BY WEST GEORGIA HEALTH SERVICES, INC , OR (VII) AMEND OR TERMINATE ANY LEASE OF A HOSPITAL FACILITY TO WHICH THE CORPORATION IS A PARTY
	FORM 990, PART VI, SECTION B, LINE 11	THE RETURN WAS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM WITH ASSISTANCE AND OVERSIGHT BY MANAGEMENT UPON COMPLETION AND REVIEW BY MANAGEMENT, THE RETURN WAS PRESENTED DURING THE JULY 2014 BOARD MEETING AT THE MEETING, BOARD MEMBERS HAD AN OPPORTUNITY TO DISCUSS THE RETURN AND ASK QUESTIONS OF THE CFO AND A REPRESENTATIVE OF THE ACCOUNTING FIRM
	FORM 990, PART VI, SECTION B, LINE 12C	THE CONFLICT OF INTEREST POLICY APPLIES TO ALL EMPLOYEES AND DIRECTORS OF WEST GEORGIA HEALTH ANY DIRECTOR OF THE CORPORATION HAVING ANY POTENTIAL FINANCIAL INTEREST IN THE OUTCOME OF ANY DECISION THAT IS BEFORE THE BOARD OF DIRECTORS SHALL MAKE SUCH INTEREST APPARENT PRIOR TO THE DELIBERATIONS OR VOTE OF THE BOARD OF DIRECTORS ON THE ISSUE, AND SAID DIRECTOR SHALL ABSTAIN FROM VOTING ON THIS ISSUE, AND ABSENT HIMSELF/HERSELF FROM THIS MEETING DURING DELIBERATIONS ON THIS ISSUE THE NATURE OF ANY DIRECTOR'S POTENTIAL FINANCIAL INTEREST IN THE OUTCOME OF ANY BOARD DECISION SHALL BE DISCLOSED IN THE MINUTE BOOK OF THE CORPORATION
	FORM 990, PART VI, SECTION B, LINE 15	HUMAN RESOURCES MAKES COMPENSATION RECOMMENDATIONS BASED ON COMPARATIVE MARKET ANALYSIS THE DATA IS THEN REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS
	FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATION MAKES ITS FORM 990 AVAILABLE UPON REQUEST
	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 UPON REQUEST
OTHER FEES	FORM 990, PART IX, LINE 11G	CONTRACT LABOR PROGRAM SERVICE EXPENSES 3,358,279 MANAGEMENT AND GENERAL EXPENSES 21,603 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,379,882 PROFESSIONAL FEES AND SERVICES PROGRAM SERVICE EXPENSES 22,348,979 MANAGEMENT AND GENERAL EXPENSES 364,708 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 22,713,687 CONSULTING PROGRAM SERVICE EXPENSES 705,947 MANAGEMENT AND GENERAL EXPENSES 2,191,662 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,897,609
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	PENSION LIABILITY ADJUSTMENT 4,601,970 EQUITY TRANSFERRED TO AFFILIATE - 6,737,164

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

2012

Open to Public Inspection

Name of the organization  
WEST GEORGIA MEDICAL CENTER INC

Employer identification number  
20-5497506

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

(a) Name, address, and EIN (if applicable) 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" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) WEST GEORGIA HEALTH FOUNDATION INC  1514 VERNON ROAD  LAGRANGE, GA 30240 20-0936376	FUNDRAISING	GA	501(C)(3)	LINE 7	WEST GEORGIA HEALTH SERVICES INC		No
(2) WEST GEORGIA HEALTH SERVICES INC  1514 VERNON ROAD  LAGRANGE, GA 30240 20-5497622	PARENT OF HEALTH SYSTEM	GA	501(C)(3)	LINE 11C, III-FI	N/A		No
(3) VERNON WOODS RETIREMENT COMMUNITY INC  1514 VERNON ROAD  LAGRANGE, GA 30240 58-2575049	ASSISTED LIVING	GA	501(C)(3)	LINE 9	WEST GEORGIA HEALTH SERVICES INC		No
(4) LAGRANGE-TROUP COUNTY HOSPITAL AUTHORITY  1514 VERNON ROAD  LAGRANGE, GA 30240 56-2609278	HOSPITAL AUTHORITY	GA	501(C)(3)	LINE 3	N/A		No
(5) MEDICAL PARK FOUNDATION INC  209 BROOME STREET  LAGRANGE, GA 30240 58-1303478	SUPPORTING ORGANIZATION	GA	501(C)(3)	LINE 11A, I	WEST GEORGIA HEALTH SERVICES INC		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) WEST GEORGIA HEALTH PHYSICIANS INC  1514 VERNON ROAD LAGRANGE, GA 30240 27-5125341	PHYSICIAN PRACTICE	GA	WEST GEORIGA HEALTH SERVICES INC	C					No

Part V

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b	Yes	
1c	Yes	
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k	Yes	
1l	Yes	
1m	Yes	
1n		No
1o	Yes	
1p		No
1q	Yes	
1r		No
1s		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-s)	(c) Amount involved	(d) Method of determining amount involved

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

[illegible]

**Software ID:**  
**Software Version:**  
**EIN:** 20-5497506  
**Name:** WEST GEORGIA MEDICAL CENTER INC

**Part VII** Supplemental Information

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

Identifier	Return Reference	Explanation	
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**West Georgia Medical Center, Inc.  
and Affiliates**

**Combined Financial Statements**

**For the Years Ended  
September 30, 2013 and 2012**

**(with Independent Auditors' Report thereon)**



# **WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES**

## **Table of Contents**

**Years Ended September 30, 2013 and 2012**

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**Independent Auditors' Report**

The Board of Trustees  
West Georgia Medical Center, Inc. and Affiliates

We have audited the accompanying combined financial statements of West Georgia Medical Center, Inc. and Affiliates (collectively, the "Group"), which comprise the combined balance sheets as of September 30, 2013 and 2012, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these combined 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independent Auditors' Report**  
**Page 2**

*Opinion*

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Group as of September 30, 2013 and 2012, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

*Dixon Hughes Goodman LLP*

Atlanta, Georgia  
February 11, 2014

# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Combined Balance Sheets

September 30, 2013 and 2012

<u>Assets</u>	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 6,150,282	\$ 5,285,329
Patient accounts receivable, less estimated allowance for uncollectible accounts of approximately \$17,646,000 in 2013 and \$22,307,000 in 2012	26,128,893	26,888,411
Other receivables	3,401,156	3,347,318
Inventories	3,406,328	3,483,624
Prepaid expenses and other current assets	2,520,011	3,196,618
Total current assets	<u>41,606,670</u>	<u>42,201,300</u>
Investments	18,730,647	16,307,813
Assets limited as to use		
Under bond agreement	-	343,571
Under deferred compensation arrangements	116,166	1,631,691
By Board for capital improvements	17,818,497	17,339,466
By donors for specific purposes	8,583,037	6,293,725
Total assets limited to use	<u>26,517,700</u>	<u>25,608,453</u>
Property and equipment, net	105,622,240	111,779,211
Other assets		
Receivable from sale of property, net of current portion	-	48,952
Due from uncombined affiliates	132,321	475,107
Deferred financing costs, net	841,523	918,629
Physician guarantees and receivables	486,859	944,402
Collections	2,355,189	2,352,189
Other assets	308,893	344,622
Total other assets	<u>4,124,785</u>	<u>5,083,901</u>
Total assets	<u><u>\$ 196,602,042</u></u>	<u><u>\$ 200,980,678</u></u>

The accompanying notes are an integral part of these combined financial statements

# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Combined Balance Sheets, continued

September 30, 2013 and 2012

<u>Liabilities and Net Assets</u>	<u>2013</u>	<u>2012</u>
Current liabilities		
Accrued interest payable	\$ 592,119	\$ 602,494
Current portion of long-term debt	2,138,330	2,033,971
Accounts payable and accrued expenses	10,677,881	8,243,193
Accrued salaries, benefits, vacation and amounts withheld	7,416,594	8,200,876
Estimated third-party pay or settlements	909,690	554,243
Total current liabilities	<u>21,734,614</u>	<u>19,634,777</u>
Long-term debt	65,272,982	67,225,344
Estimated professional and general self-insurance liabilities	650,000	650,000
Net pension liability	8,418,101	12,184,015
Other long-term liability	177,996	230,092
Total liabilities	<u>96,253,693</u>	<u>99,924,228</u>
Net assets		
Unrestricted	84,201,710	85,503,696
Temporarily restricted	7,671,037	6,832,217
Permanently restricted	8,475,602	8,720,537
Total net assets	<u>100,348,349</u>	<u>101,056,450</u>
 Total liabilities and net assets	 <u><u>\$ 196,602,042</u></u>	 <u><u>\$ 200,980,678</u></u>

The accompanying notes are an integral part of these combined financial statements

# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Combined Statements of Operations

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenues, gains and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 198,013,053	\$ 186,971,906
Provision for bad debts	(39,942,617)	(34,466,271)
Net patient service revenue less provision for bad debts	158,070,436	152,505,635
Other operating revenue	5,550,929	6,213,309
Net assets released from restrictions used for operations	222,776	843,697
Total revenues, gains and other support	163,844,141	159,562,641
Operating expenses		
Salary and wages	64,916,160	64,577,835
Employee benefits	19,057,806	17,828,415
Contract labor	5,092,606	3,423,220
Professional fees and services	22,976,719	21,673,748
Patient supplies	18,055,887	18,821,506
General supplies	5,635,673	5,317,772
Facilities and equipment	10,165,189	9,691,267
Utilities	2,788,516	2,928,747
Depreciation and amortization	11,443,465	11,332,991
Interest	3,625,573	3,772,477
Other expenses	8,190,160	8,256,660
Total operating expenses	171,947,754	167,624,638
Operating loss	(8,103,613)	(8,061,997)
Non-operating gains		
Net gain on disposal of assets	45,166	346,688
Net investment gain	1,909,556	3,313,118
Total non-operating gains	1,954,722	3,659,806
Deficit of revenues, gains and other support under expenses and losses from continuing operations	(6,148,891)	(4,402,191)
Gain from discontinued operations	-	4,100,592
Deficit of revenues, gains and other support under expenses and losses	\$ (6,148,891)	\$ (301,599)

The accompanying notes are an integral part of these combined financial statements

# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Combined Statements of Changes in Net Assets

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Deficit of revenues, gains and other support under expenses and losses	\$ (6,148,891)	\$ (301,599)
Change in pension plan funded status	4,601,970	(2,372,528)
Permanent restrictions released	244,935	269,160
Decrease in unrestricted net assets	<u>(1,301,986)</u>	<u>(2,404,967)</u>
Changes in temporarily restricted net assets		
Contributions	1,999,511	1,136,812
Net investment gain	531,466	711,733
Net assets released from restrictions	(222,776)	(843,697)
Net assets transferred to Authority	(1,469,381)	-
Increase in temporarily restricted net assets	<u>838,820</u>	<u>1,004,848</u>
Changes in permanently restricted net assets		
Net assets released from restrictions	<u>(244,935)</u>	<u>(269,160)</u>
Decrease in net assets	(708,101)	(1,669,279)
Net assets, beginning of year	<u>101,056,450</u>	<u>102,725,729</u>
Net assets, end of year	<u><u>\$ 100,348,349</u></u>	<u><u>\$ 101,056,450</u></u>

The accompanying notes are an integral part of these combined financial statements

# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Combined Statements of Cash Flows

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Decrease in net assets	\$ (708,101)	\$ (1,669,279)
Adjustment to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation and amortization	11,443,465	11,393,612
Provision for bad debts	39,942,617	34,466,271
Net gain on disposal of assets	(45,166)	(346,688)
Restricted contributions	(1,999,511)	(1,136,812)
Change in pension plan funded status	(4,601,970)	2,372,528
Change in net unrealized gains on investments	(77,182)	(1,732,446)
Change in operating assets and liabilities		
Patient accounts receivable	(39,183,099)	(33,052,166)
Other receivables	(53,838)	(1,646,165)
Inventories	77,296	(237,810)
Prepaid expenses and other current assets	676,607	(406,023)
Receivable from sale of property	48,952	151,800
Due from uncombined affiliate	342,786	290,816
Investments	(2,345,652)	(3,800,402)
Other noncurrent assets	32,729	1,086,877
Accounts payable and accrued expenses	2,424,313	481,991
Accrued salaries, benefits, vacation and amounts withheld	(784,282)	779,901
Estimated third-party payor settlements	355,447	(2,927,016)
Other long-term liabilities	783,960	1,237,449
Net cash provided by operating activities	<u>6,329,371</u>	<u>5,306,438</u>

The accompanying notes are an integral part of these combined financial statements



# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Combined Statements of Cash Flows, continued

For the Years Ended September 30, 2013 and 2012

	<u><b>2013</b></u>	<u><b>2012</b></u>
Cash flows from investing activities		
Change in assets limited as to use	\$ (909,247)	\$ (426,590)
Change in physician guarantees and receivables	457,543	1,527,519
Purchase of property and equipment, net	(5,259,965)	(6,752,781)
Proceeds from disposals of property and equipment	134,268	1,076,598
Net cash used in investing activities	<u>(5,577,401)</u>	<u>(4,575,254)</u>
Cash flows from financing activities		
Payments on long-term debt	(2,045,237)	(1,932,899)
Proceeds from issuance of notes	158,709	-
Restricted contributions	1,999,511	1,136,812
Net cash provided by (used in) financing activities	<u>112,983</u>	<u>(796,087)</u>
Net increase (decrease) in cash and cash equivalents	864,953	(64,903)
Cash and cash equivalents, beginning of year	5,285,329	5,350,232
Cash and cash equivalents, end of year	<u><u>\$ 6,150,282</u></u>	<u><u>\$ 5,285,329</u></u>
Supplemental information and non-cash transactions		
Cash paid for interest	<u><u>\$ 3,635,948</u></u>	<u><u>\$ 3,782,352</u></u>

The accompanying notes are an integral part of these combined financial statements

# WEST GEORGIA MEDICAL CENTER, INC. AND AFFILIATES

## Notes to Combined Financial Statements

September 30, 2013 and 2012

### 1 Organization and Operations

The combined financial statements of West Georgia Medical Center, Inc and Affiliates (collectively, the "Group"), include the accounts and the activities of West Georgia Medical Center, Inc ("WGMC"), West Georgia Health Foundation, Inc (the "Foundation"), and West Georgia Health Physicians, Inc (the "PSO") which are obligated members under certain indebtedness as discussed in Note 7. WGMC, the Foundation, and the PSO are affiliates of West Georgia Health Services, Inc d/b/a West Georgia Health ("WGH"), a nonprofit organization which is the sole corporate member of each and which currently has no activity. All management and other parent company related expenses are included in the accounts of WGMC.

WGMC was established in 2006 and is located in the City of LaGrange, Troup County, Georgia. WGMC had no activity prior to October 1, 2009. Under terms of a lease and transfer agreement between the LaGrange-Troup County Hospital Authority (the "Authority") and WGMC, the Authority leased all hospital facilities and transferred substantially all operating assets and existing operations to WGMC effective October 1, 2009. WGMC assumed all liabilities of the Authority which were incurred or arose in connection with the leased facilities, operating assets and existing operations, except as related to certain past employee benefit obligations (see Note 8). WGMC is required to fund the remaining obligations in the Authority pension plan and pay certain other operating expenses. The Authority also transferred the right, title and interest to all existing Certificates of Need, as approved by Georgia's Department of Community Health, including those relating to the ongoing expansion of facilities. The lease expires September 21, 2049 unless renewed or extended by WGMC and the Authority.

The primary mission of WGMC is to provide access to quality, cost-effective, community based healthcare services to residents of counties in western Georgia and eastern Alabama. WGMC includes a 276-bed acute-care hospital, a 150-bed skilled and intermediate care nursing facility, and a 116-bed intermediate care nursing home. Additionally, WGMC provides home care and hospice related services. WGMC includes the accounts of West Georgia Medical Center, Inc Auxiliary (the "Auxiliary"), a voluntary association existing under and by authority of WGMC's Board of Trustees.

The Foundation is a nonprofit foundation formed in 2004. The articles of incorporation of the Foundation were amended and restated effective October 1, 2009 to provide that the Foundation be organized and operated exclusively to conduct fundraising and development activities for the benefit of WGMC and for such related purposes as may be permitted. Funds are raised primarily from contributors in the West Georgia area.

The PSO was formed in March 2011 to provide primary care health services to the citizens of LaGrange, Georgia and the surrounding communities.

## 2 Significant Accounting Policies

**Accounting Standards** - The Group follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the "FASB." The FASB sets accounting principles generally accepted in the United States of America ("GAAP") that the Group follows to ensure consistent reporting of its financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the "Codification" or "ASC." Updates to the Codification are referred to as Accounting Standard Updates ("ASU").

**Principles of Combination** - The combined financial statements include the accounts of WGMC, the Foundation and the PSO. All significant intercompany accounts and transactions have been eliminated. The Group classifies those activities directly associated with the mission of providing healthcare services, as well as other activities deemed significant to its operations, as operating activities.

Other activities that result in gains or losses unrelated to the Group's primary mission are considered non-operating.

**Use of Estimates** - The preparation of combined 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 combined financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates included in the accompanying combined financial statements include the estimated allowance for uncollectible accounts and contractual adjustments, estimated amounts due to third-party payors and estimated professional and general self-insurance liabilities.

**Cash and Cash Equivalents** - The Group considers all highly liquid investments with a maturity of three months or less when purchased, excluding amounts limited as to use by Board designations or donor restriction, to be cash equivalents. At September 30, 2013 and 2012, the Group had cash and cash equivalents in financial institutions in amounts that exceed federal depository insurance limits. Management believes the credit risk related to these deposits is minimal.

**Patient Accounts Receivable** - Patient accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Group analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Group analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary.

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Group records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts. Recoveries of accounts previously written off are recorded as a reduction to the provision for bad debt expense when received.

The Group's allowance for doubtful accounts for self-pay patients decreased from 76% of self-pay accounts receivable at September 30, 2012, to 70% of self-pay accounts receivable at September 30, 2013. The decrease was a result of increased write offs of uncollectable self-pay patient accounts in 2013.

**Inventories** - Inventories consist principally of medical and surgical supplies, general store supplies, and pharmacy items and are stated at the lower of cost (approximating the first-in, first-out method) or market.

**Investments and Assets Limited as to Use** - Investments and assets limited as to use in marketable securities are measured at fair market value. The Group's investment portfolio is classified as trading. Investments include those funds that have not been specifically designated by the Board but are intended to be used for capital or other long-term assets. Assets limited as to use include assets designated under bond agreements, deferred compensation arrangements, and assets set aside by the Board of Trustees of WGMC or predecessor organizations for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. Assets limited as to use also include amounts restricted by donors for specific purposes, which are primarily those related to the Foundation.

Investment income (including unrealized and realized gains and losses) on unrestricted funds is reported as a part of non-operating gains (losses). Investment income (including unrealized and realized gains and losses) on investments which are temporarily restricted by donors are allocated to that net asset classification. Investment income is reported net of related investment fees. Realized gains and losses on investments are computed using the specific identification method for cost determination.

**Deferred Financing Costs, Net** - Deferred financing costs relate to the issuance of long-term debt and are amortized over the term of the debt issue. These deferred financing costs amounted to approximately \$1,130,000 with accumulated amortization of approximately \$289,000 and \$212,000 at September 30, 2013 and 2012, respectively.

**Property and Equipment** - Property and equipment are recorded on the basis of cost, or if donated, the fair value at the date of the gift. Depreciation is computed by the straight-line method based on the estimated useful life of the asset. Renewals and betterments are capitalized and depreciated over their useful life, whereas costs of maintenance and repairs are expensed as incurred. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. The amount capitalized is net of investment earnings on assets limited as to use derived from borrowings designated for capital assets.

The Group reviews capital assets for indications of potential impairment when there are changes in circumstances related to a specific asset. If this review indicates that the carrying value of these assets may not be recoverable, management estimates future cash flows from operations and the eventual disposition of such assets. If the sum of these undiscounted future cash flows is less than the carrying amount of the asset, a write-down to estimated fair value is recorded.

**Collections** - Collections are recorded on the basis of cost, or if donated, at the appraised fair value at the date of the gift. Each piece of art is cataloged for curatorial purposes, and management periodically performs activities verifying their existence and assessing their condition.

**Other Assets** - Other assets primarily include an investment in a purchasing alliance which is reported on the equity method of accounting and which approximates WGMC's equity in the underlying net book value.

**Contributions** - Unconditional promises to give cash and other assets to the Group are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Resources restricted by donors for specific operating purposes are held as temporarily restricted net assets until expended for the intended purpose, at which time they are reported as "net assets released from restrictions used for operations." Resources restricted by donors for additions to property, plant and equipment are held as temporarily restricted net assets until expended, at which time they are reported as "net assets released from restrictions used for the purchase of property, plant and equipment." Gifts, grants and bequests not restricted by donors are reported as other operating revenue. The majority of unconditional promises to give and other support receivables are expected to be received in one to five years.

**Temporarily and Permanently Restricted Net Assets** - Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Group in perpetuity. The related assets include property donated for such specific purposes, as well as all improvements thereon. Such permanent restrictions are periodically released as the related assets are depreciated.

Permanently restricted net assets also include a donor-restricted endowment fund. The Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent

gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are expended for their intended purpose.

**Deficit of Revenues, Gains and Other Support Under Expenses and Losses** - The combined statement of operations includes the caption deficit of revenues, gains and other support under expenses and losses. Changes in unrestricted net assets which are excluded from this caption, consistent with industry practice, include transfers of assets to and from Affiliates for other than goods and services, pension liability adjustments and contributions of long-lived assets including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets.

**Net Patient Service Revenue, Less Provision for Bad Debts** - Net patient service revenue, less provision for bad debts, is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Group's revenues may be subject to adjustment as a result of examination by government agencies or contractors, and as a result of differing interpretation of government regulations, medical diagnosis, charge coding, medical necessity, or other contract terms. The resolution of these matters, if any, often is not finalized until subsequent to the period during which the services were rendered.

**Provision for Bad Debts** - During 2012, the Group adopted ASU 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. In conjunction with the adoption, the Group reclassified the provision for bad debts associated with the patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Accordingly, the provision for bad debts is included as a component of net patient service revenue in the combined statements of operations for 2013 and 2012.

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

**Functional Expense Classification** - The Group does not present expense information by functional classification because its resources and activities are primarily related to providing health care services. Further, since the Group receives substantially all of its resources from providing health care services in a manner similar to a business enterprise, other indicators contained in these combined financial statements are considered important in evaluating how well management has discharged their stewardship responsibilities.

**HITECH Incentive Funding for Meaningful Use of Electronic Health Records** - The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain healthcare providers that use certified electronic health records ("EHR") technology. The program is commonly referred to as the Health Information Technology for Economic and Clinical Health ("HITECH") Act. To qualify for incentives under the HITECH Act, healthcare providers must meet designated EHR meaningful use criteria as defined by the Centers for Medicare and Medicaid Services ("CMS"). Incentive payments are awarded to healthcare providers who have attested to CMS that applicable meaningful use criteria have been met. Compliance with meaningful use criteria is subject to audit by the federal government or its designee and incentive payments are subject to adjustment in a future period.

The Group recognizes revenue for EHR incentive payments in the period in which it has attested that it is in compliance with the applicable EHR meaningful use requirements. The Group recognized other operating revenues of approximately \$1,411,000 and \$2,641,000, respectively, in the combined statements of operations in other operating revenue for the years ended September 30, 2013 and 2012. Other operating revenue decreased by approximately \$438,000 during 2013 due to a change in the amount previously recorded as a result of a change in the 2012 estimate.

**Income Taxes** - WGMC and the Foundation are organizations exempt from income tax pursuant to Internal Revenue Code Section 501(a), as organizations described in Section 501(c)(3). Related income is generally not subject to Federal and state income taxes.

The PSO was organized in the state of Georgia as a nonprofit organization. However, the PSO has not filed for tax exempt status with the Internal Revenue Service. As such, the entity is considered a for-profit entity and subject to taxation. The PSO therefore accounts for income taxes in accordance with the liability method under which deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax bases of assets and liabilities. Deferred tax assets or liabilities at the end of each period are determined using the currently enacted tax rate expected to apply to taxable income in the periods that the deferred tax asset or liability is expected to be realized or settled. At September 30, 2013 and 2012, the PSO had approximately \$11,240,000 and \$5,328,000, respectively, in net operating loss carry forwards ("NOLs"). These NOLs result in approximately \$3,934,000 and \$1,865,000 in deferred tax assets at September 30, 2013 and 2012, respectively, which are offset by an equal amount of valuation allowance.

The Group has evaluated its tax positions and has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2013 and 2012. Fiscal years ending on and after September 30, 2010 remain subject to examination by federal and state tax authorities.

**Fair Value Measurements** - GAAP 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. GAAP requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs in measuring fair value, and GAAP establishes a three level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities such as debt and equity securities, mutual funds, and money market accounts that are traded in an active market, and other cash equivalents. Level one investments include common stocks, equity mutual funds and money market funds that are traded in an active market.

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. The Group's level two investments include a hedge fund. The fair value for this investment is determined by applying the Group's ownership percentage to the net asset value of the investment fund.

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. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

**Subsequent Events** - The Group evaluated the effect subsequent events would have on the combined financial statements from October 1, 2013 through February 11, 2014, which is the date the combined financial statements were available to be issued. During that period, the Group had the material recognizable subsequent events as described below.

In October 2013, the Group entered into a loan agreement to borrow \$2,600,000 to purchase medical equipment. The loan matures in April 2014 when it is expected to be converted up to a seven year term note.

The System has a limited partnership interest in a group purchasing organization, Premier Purchasing Partners, L.P. (Premier LP) which is recorded under the cost method at September 30, 2013. On October 1, 2013, Premier LP undertook an internal corporate reorganization and Premier, Inc. finalized its related initial public offering (IPO) of Class A common stock. In conjunction with the reorganization and IPO, the System received shares of Class B common stock of Premier, Inc. (Class B common shares). In connection with the IPO, Premier, Inc. acquired one-seventh (1/7th) of the System's limited partnership interest in Premier LP and the same proportion of Class B common shares of Premier, Inc. for approximately \$618,000, which resulted in the System recognizing a gain of approximately \$593,000 subsequent to year end.

Under an exchange agreement executed in connection with the reorganization and IPO, the System may annually exchange up to one-seventh (1/7th) of its initial allocation of limited partnership interest in Premier LP and the same Class B common shares of Premier, Inc. and any additional such interests and Class B common shares purchased by the System through exercise of its right of first refusal of exchanges proposed by other limited partners. Under the exchange agreement, the System will either receive shares of Class A common stock (issued on a one-to-one basis for each Class B common share exchanged), cash payments (from Premier, Inc. or the other limited partners under a right of first refusal), or both. Cash payments will be determined by the average 20-day closing price of the Class A common stock ending three days prior to the notification deadline.



**Reclassifications** - Certain amounts in the 2012 combined financial statements have been reclassified to conform to the 2013 presentation

3 **Net Patient Service Revenue**

A summary of payment arrangements with major third-party payors follows

**Medicare**

Inpatient acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

Medicare reimbursement for outpatient services is under a prospective payment system called the Ambulatory Payment Classification System ("APCS"). Prospective payment rates are established for each group of services provided in hospital outpatient departments for the diagnosis or treatment of beneficiaries. This system categorizes payments according to clinical diagnosis and resource use. Services covered under other Medicare fee schedules are excluded and will continue to be paid using the fee schedules.

The Group is subject to various final settlements determined after submission of annual cost reports and audits by the Medicare fiscal intermediary. The Group's coding and classification of patients under the Medicare program as well as the appropriateness of the services rendered are subject to an independent review by a peer review organization. At September 30, 2013, Medicare audits or desk reviews of the Group's cost reports have been completed through 2008.

**Medicaid**

Acute inpatient services rendered to Medicaid 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. All outpatient services are reimbursed based on cost and/or fee schedule.

The Group is subject to various final settlements determined after submission of annual cost reports and audits by the Medicaid fiscal intermediary. The Group's classification of patients under the Medicaid program and the appropriateness of their admissions are subject to an independent review by a peer review organization. At September 30, 2013, Medicaid audits or desk reviews of the Group's cost reports have been completed through 2010.

**Other Payors**

The Group has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The bases for payment to the Group under these agreements include prospectively determined rates per discharge, discounts from established charges, and prospectively determined rates.

Revenue from the Medicare and Medicaid programs accounted for approximately 41% of the Group's net patient revenue for 2013 and 2012. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased approximately \$450,000 and \$2,280,000 for the years ended September 30, 2013 and 2012, respectively, due to changes in amounts previously estimated as a result of final settlements and changes in estimates.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created the Recovery Audit Contractors ("RAC") program to detect and correct improper payments in the Medicare program. The RAC reviews in Georgia began in late 2009 and continued in 2012 and 2013. As of September 30, 2013, no significant overpayments were identified by the RAC Reviews. Management believes its billings policies will not result in significant overpayments, however, the effect of RAC reviews cannot be reasonably estimated and the results of such reviews could materially affect the future operations of the Group.

The composition of net patient service revenue is summarized as follows:

	<u>2013</u>	<u>2012</u>
Gross patient service charges	\$ 429,924,335	\$ 396,545,603
Less provision for contractual and other adjustments	<u>(231,911,282)</u>	<u>(209,573,697)</u>
Patient service revenue (net of contractual allowances and discounts)	198,013,053	186,971,906
Less provision for bad debts	<u>(39,942,617)</u>	<u>(34,466,271)</u>
Net patient service revenue less provision for bad debts	\$ <u>158,070,436</u>	\$ <u>152,505,635</u>

#### Charity Care

The Group maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. The following information measures the level of charity care provided during the years ended September 30, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Charges based on established rates	\$ <u>17,162,000</u>	\$ <u>14,125,000</u>
Estimated cost to provide charity care	\$ <u>6,489,000</u>	\$ <u>5,522,000</u>

Management estimates the cost to provide charity care by applying a cost-to-charge ratio to the value of charity care based on established rates.

**Indigent Care Trust Fund**

Under the provisions of the Georgia Indigent Care Trust Fund Act ("ICTF"), Medicaid disproportionate share hospitals ("DSH") may contribute funds to be used by the State in the Medicaid program which will be supplemented by federal funds. Under the agreement, the Group pays into the ICTF and is then eligible to receive ICTF payments. Net patient service revenue includes additional funding of \$2,189,034 and \$2,429,366 for 2013 and 2012, respectively, received or accrued under the ICTF program, an agreement with the Georgia Department of Community Health Division of Medical Assistance ("DMA") to provide outpatient indigent care assistance.

**Upper Payment Limit**

Under the provisions of the Georgia Upper Payment Limit Rate adjustments ("UPL"), eligible hospitals may contribute funds to be used by the State in the Medicaid program which will be supplemented by federal funds. The Group transferred funds to the Georgia Department of Community Health Division of Medical Assistance ("DMA") which were matched with available federal funds and used to make UPL payments back to the Group. Net patient service revenue includes additional funding of \$1,883,875 and \$2,438,490 for 2013 and 2012, respectively, which is net of contributions to the fund.

The federal government does not ensure future ICTF or UPL funding. Reduced ICTF or UPL funding may impact the Group's operations.

4 **Investments and Assets Limited as to Use**

Assets limited as to use include amounts limited by WGMC's Board under a policy of setting aside amounts for future capital improvements. Assets limited as to use by donors for specific purposes consist of funds raised by or transferred to the Foundation as well as from other sources (Note 11). Such amounts also include receivables which have been reduced to net amounts expected to be collected based on management's estimates of collectability. However, due to the uncertainty of this estimate, it is at least reasonably possible that management's estimates may change in the future.

Assets limited as to use consist of the following at September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Assets limited as to use under bond agreements		
Cash equivalents	\$ -	\$ 343,571
Assets limited as to use under deferred compensation arrangements		
Cash equivalents	116,166	661,362
Equity mutual funds	-	691,976
Bond mutual funds	<u>-</u>	<u>278,353</u>
	116,166	1,631,691
Assets limited as to use by Board for capital improvements		
Equity mutual funds	4,756,656	4,497,265
Bond mutual funds	4,536,133	4,262,665
Equity exchange traded funds	2,532,727	1,370,110
Fixed income exchange traded funds	<u>5,992,981</u>	<u>7,209,426</u>
	17,818,497	17,339,466
Assets limited as to use by donors for specific purposes		
Cash equivalents	\$ 1,454,646	\$ 1,480,651
Equity exchange traded funds	1,106,827	445,459
Fixed income exchange traded funds	103,028	-
Equity mutual funds	2,061,350	1,819,583
Bond mutual funds	1,209,133	1,297,046
Hedge fund	1,087,680	1,005,957
Other equity securities	-	25,546
Contributions receivable, net	<u>1,569,886</u>	<u>219,483</u>
	<u>8,592,550</u>	<u>6,293,725</u>
	<u>\$ 26,527,213</u>	<u>\$ 25,608,453</u>

Investments consist of the following at September 30, 2013 and 2012

	<u><b>2013</b></u>	<u><b>2012</b></u>
Cash equivalents	\$ 210,327	\$ 217,008
Equity mutual funds	4,944,009	4,180,935
Bond mutual funds	4,714,799	3,957,711
Equity exchange traded funds	2,632,484	1,272,434
Fixed income exchange traded funds	6,229,028	6,667,362
Hedge fund	-	12,059
Other equity securities	<u>-</u>	<u>304</u>
	<u><b>\$ 18,730,647</b></u>	<u><b>\$ 16,307,813</b></u>

Income on unrestricted investments and assets limited as to use is comprised of the following for the years ending September 30, 2013 and 2012

	<u><b>2013</b></u>	<u><b>2012</b></u>
Interest and dividends	\$ 947,215	\$ 1,139,884
Realized gains, net	1,093,866	866,057
Unrealized gains (losses), net	(28,380)	1,419,919
Investment fees	<u>(103,145)</u>	<u>(112,742)</u>
	<u><b>\$ 1,909,556</b></u>	<u><b>\$ 3,313,118</b></u>

Income on temporarily restricted assets limited as to use is comprised of the following for the years ending September 30, 2013 and 2012

	<u><b>2013</b></u>	<u><b>2012</b></u>
Interest and dividends	\$ 114,173	\$ 130,219
Realized gains, net	325,703	280,418
Unrealized gains, net	115,075	312,527
Investment fees	<u>(13,972)</u>	<u>(11,431)</u>
	<u><b>\$ 540,979</b></u>	<u><b>\$ 711,733</b></u>

## 5 Property and Equipment

Property and equipment consist of the following at September 30

	<u>2013</u>	<u>2012</u>
Land	\$ 3,837,399	\$ 3,645,647
Land improvements	9,245,787	9,161,568
Building and improvements	107,665,028	106,135,550
Fixed equipment	13,525,541	13,525,541
Major movable equipment	110,351,236	107,463,611
Construction in progress	<u>2,569,444</u>	<u>3,768,685</u>
	247,194,435	243,700,602
Less allowance for depreciation	<u>(141,572,195)</u>	<u>(131,921,391)</u>
	<u>\$ 105,622,240</u>	<u>\$ 111,779,211</u>

Depreciation expense for 2013 and 2012 was approximately \$11,328,000 and \$11,300,000, respectively

Construction in progress includes software and medical equipment in the process of installation and other projects. Total estimated cost to complete these projects at September 30, 2013 is approximately \$4,143,000.

## 6 Physician Notes and Guarantees

The Group has contractual relationships with certain physicians whereby the Group guarantees certain base annual payments and allowable expenses, not to exceed a pre-set amount during the initial contract period. The contractual relationships have terms of varying lengths. Upon completion of the initial contract period, all amounts drawn and outstanding under the agreements are treated as a loan bearing interest at two percent over prime, subject to repayment in equal monthly installments of principal and interest. The physician may repay the balance by virtue of the physician's continued practice in the community for the remaining months of the repayment period whereby the balance will be reduced ratably for each month of service. Amortization expense for physician notes and guarantees amounted to approximately \$458,000 and \$539,000 for 2013 and 2012, respectively, and is included in other expenses in the combined statements of operations.

7 Long-Term Debt

A summary of long-term debt follows

	<u>2013</u>	<u>2012</u>
2008A Revenue Anticipation Certificates bearing interest at varying rates (4.00% to 5.50%), principal and interest payments due each July maturing July 2038, secured by the gross revenues of the Group	\$ 43,500,000	\$ 44,330,000
2010 Revenue Anticipation Certificates with monthly principal and interest (fixed at 4.75%) payments of approximately \$137,000 through December 2014, with the remaining principal of approximately \$21,994,000 due January 2015, secured by the gross revenues of the Group	22,717,304	23,265,952
2010B Revenue Anticipation Certificates with monthly principal and interest (fixed at 5.61%) payments of \$66,649 through July 2016, secured by equipment	2,003,249	2,658,577
Automobile notes with monthly principal and interest (fixed at 3.50%) payments of \$2,336 through February 2016, with the remaining principal of approximately \$90,000 due March 2016, secured by automobiles	<u>147,448</u>	<u>-</u>
	68,368,001	70,254,529
Less unamortized discounts	956,689	995,214
Less current portion of long-term debt	<u>2,138,330</u>	<u>2,033,971</u>
Long-term debt, excluding current portion	<u>\$ 65,272,982</u>	<u>\$ 67,225,344</u>

In June 2010, pursuant to a Master Financing Agreement, the Authority issued a \$4,000,000 tax-exempt Revenue Anticipation Certificate ("2010B Certificate") to GE Government Finance, Inc. ("GE Finance") to finance the purchase of equipment for WGMC's medical facilities. The 2010B Certificate may be redeemed at any time at the option of WGMC at a price determined by the Master Financing Agreement. The interest rate noted above is subject to increase if for any reason the interest is deemed taxable to GE Finance.

In January 2010, the Authority issued \$24,000,000 in tax-exempt Revenue Anticipation Certificates ("2010 Certificates") to finance or refinance the cost of certain additions, extensions and improvements to the medical facilities leased by WGMC and to pay costs of issuance. At the option of WGMC, the 2010 Certificates may be redeemed prior to maturity, either in whole or in part at any time, at a redemption price of par and accrued interest. The 2010 Certificates are also subject to

mandatory sinking fund redemption at a redemption price equal to the principal amount of each certificate to be redeemed plus accrued interest. The Authority loaned the proceeds of the sale of the 2010 Certificates to WGMC under a loan agreement dated January 1, 2010 and a supporting promissory note.

In July 2008, the Authority issued \$46,590,000 in Revenue Anticipation Certificates, Series 2008A ("2008A Certificates"), net of original issue discount of \$1,155,732, for the purpose of financing or refinancing the acquisition and construction of additional healthcare facilities, renovating existing facilities in Troup County, funding the interest on the 2008A Certificates during the construction period, and paying for the costs of issuance. The 2008A Certificates maturing July 1, 2038 may be redeemed prior to maturity at the option of the Authority, either in whole or in part at any time after July 1, 2018 at par plus accrued interest. The 2008A Certificates maturing on July 1, 2018 are subject to mandatory sinking fund redemption beginning July 1, 2014 in amounts ranging from \$870,000 on July 1, 2014 to \$1,055,000 on July 1, 2018.

Pursuant to the lease and transfer agreement (Note 1), WGMC pays amounts sufficient each year to pay the principal and interest on the Series 2008A Certificates. In addition, the Master Indenture related to the Authority's Revenue Anticipation Certificates Series 2008A was amended to include WGMC as an Obligated Issuer (as defined in the Master Indenture).

Scheduled maturities of long-term debt (excluding unamortized discount) at September 30, 2013 are as follows:

Year Ending September 30

2014	\$ 2,138,330
2015	23,837,166
2016	1,637,505
2017	1,005,000
2018	1,055,000
Thereafter	<u>38,695,000</u>
	\$ <u>68,368,001</u>

The Group is jointly and severally obligated under terms of the Master Indenture as amended, and as such, the Group has pledged the gross revenues of the Group to the payment of obligations issued or secured under the Master Indenture. The terms of the Master Indenture and related debt agreements contain financial and other covenants with which the Group must comply.



8 Pension Plans

Pursuant to the lease and transfer agreement between the Authority and WGMC (Note 1), employees of the Authority became employees of WGMC on October 1, 2009. Pension benefit accruals under the Authority's pension plan were frozen on September 30, 2009. Employees who had participated in the Authority's pension plan (the "Authority's Plan") retained their accrued benefit and on October 1, 2009 began accruing benefits under a new defined benefit pension plan sponsored by WGMC (the "Plan"). Obligations under the Authority's Plan are reflected in the actuarial valuation related to that plan. Obligations related to the new Plan, including future salary increases related to past service as of October 1, 2009, are reflected in the funded status of the Plan. The lease and transfer agreement requires WGMC to fund all pension obligations of the Authority's Plan.

Actuarial services for the Plan are provided by an independent consulting firm. WGMC is required to contribute the amounts necessary to fund the Plan, using the actuarial basis specified by the Plan. The participants are fully vested in their benefits under the Plan and the Authority's Plan and both plans are closed to new participants. Employees may retire at age 55 if they have completed ten years of service; normal retirement is at age 65 with five years of credited service. Upon retirement, each participant will receive a benefit under the plan sponsored by WGMC that is calculated on the basis of combined service with the Authority and WGMC, and is offset by the amount of his/her frozen benefit under the Authority's Plan.

Net pension liability recognized in the combined balance sheets consists of the following at September 30:

	<u>2013</u>	<u>2012</u>
Funded status of the Plan	\$ (8,477,899)	\$ (12,060,111)
Receivable (Payable) due from (to) Authority related to net pension asset of the Authority's Plan	<u>59,798</u>	<u>(123,904)</u>
	\$ <u>(8,418,101)</u>	\$ <u>(12,184,015)</u>

The following table presents a reconciliation of the beginning and ending balances of the Plan's projected benefit obligation, the fair value of plan assets, and the funded status of the Plan

	<u>2013</u>	<u>2012</u>
Projected benefit obligation, beginning of year	\$ 19,896,519	\$ 14,436,159
Change in projected benefit obligation		
Service cost	1,790,788	1,673,980
Interest cost	776,044	792,253
Actuarial (gain) loss	(4,087,450)	3,018,651
Benefits paid	<u>(136,845)</u>	<u>(24,524)</u>
Projected benefit obligation, end of year	\$ <u>18,239,056</u>	\$ <u>19,896,519</u>
Fair value of Plan assets, beginning of year	\$ 7,836,408	\$ 5,642,111
Change in Plan assets		
Actual return on Plan assets	461,594	443,821
Contributions from the Plan's sponsor	1,600,000	1,775,000
Benefits paid	<u>(136,845)</u>	<u>(24,524)</u>
Fair value of Plan assets, end of year	\$ <u>9,761,157</u>	\$ <u>7,836,408</u>
Funded status of the Plan, end of year	\$ <u>(8,477,899)</u>	\$ <u>(12,060,111)</u>

The funded status of the Plan plus amounts due to the Authority related to the Authority's Plan is recognized as an asset or liability in the combined balance sheets. Gains or losses and prior service costs or credits not yet recognized as pension expense are recorded as a change in unrestricted net assets.

Amounts recognized in unrestricted net assets consist of the following at September 30

	<u>2013</u>	<u>2012</u>
Unrecognized net actuarial loss	\$ (1,020,839)	\$ (5,066,739)
Unrecognized transition obligation	<u>(6,116,768)</u>	<u>(6,672,838)</u>
	(7,137,607)	(11,739,577)
Deficit of cumulative employer contributions to net periodic pension cost	<u>(1,340,292)</u>	<u>(320,534)</u>
	\$ <u>(8,477,899)</u>	\$ <u>(12,060,111)</u>

Net periodic pension cost and other amounts recognized in unrestricted net assets excluding amounts transitioned from the Authority effective October 1, 2009, consist of the following at September 30

	<u>2013</u>	<u>2012</u>
Net periodic pension cost components		
Service cost	\$ 1,790,788	\$ 1,673,980
Interest cost	776,044	792,253
Expected return on assets	(608,084)	(438,840)
Amortization of unrecognized loss	104,940	85,072
Amortization of unrecognized transition obligation	<u>556,070</u>	<u>556,070</u>
Net periodic pension cost	\$ <u>2,619,758</u>	\$ <u>2,668,535</u>
Other changes in unrestricted net assets		
Amortization of transition obligation	\$ (556,070)	\$ (556,070)
Amortization of net loss	(104,940)	(85,072)
Net actuarial (gain) loss	<u>(3,940,960)</u>	<u>3,013,670</u>
Total (gain) loss recognized in unrestricted net assets	\$ <u>(4,601,970)</u>	\$ <u>2,372,528</u>
Total recognized in net periodic pension cost and unrestricted net assets	\$ <u>(1,982,212)</u>	\$ <u>5,041,063</u>

The initial transition obligation was established on the effective date of the Plan, October 1, 2009, and it represents the unfunded projected benefit obligation as of that date. The initial amount was \$8,341,048 and is being amortized over 15 years at \$556,070 per year. The amount of the transition obligation that will be amortized into net periodic pension cost in 2014 is \$556,070. WGMC expects to make contributions to the Plan of approximately \$1,775,000 in 2014.

The actuarial assumptions used for the Plan as of September 30 are as follows:

	<u>2013</u>	<u>2012</u>
Net periodic pension cost	4.50%	5.50%
Benefit obligations	5.00%	4.50%
Expected return on Plan assets	7.00%	7.00%

The long-term rate of return of 7% was developed using anticipated rates of return on each asset category. All of the Plan's assets at September 30, 2013 and 2012 are invested in cash equivalents and mutual funds.

WGMC's Benefits Committee establishes investment policies and strategies and regularly monitors the performance of the funds. WGMC's investment strategy with respect to pension assets is to invest the assets in accordance with ERISA and fiduciary standards. The long-term primary objectives for the Plan are to (1) provide for a reasonable amount of long-term growth of capital, without undue exposure to risk, (2) protect the assets from erosion of purchasing power, and (3) provide investment results that meet or exceed the Plan's actuarially assumed long-term rate of return.

Estimated future benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows

Year Ending September 30.	
2014	\$ 175,962
2015	244,783
2016	337,465
2017	450,324
2018	577,989
2019-2023	6,033,632

The target allocation for the pension plan is as follows as of September 30, 2013 and 2012

	<u>Target</u>
Cash and cash equivalents	0-10%
Fixed income	35-100%
Equities	0-65%

On a quarterly basis, the investment committee evaluates and monitors such factors as general economic and financial market conditions and trends, overall diversification of the investment options, the adherence of each option to its stated investment objective, and the role of the investment option in determining the asset allocation strategy for funding of the Plan. The Group utilizes an outside investment consultant to implement its investment strategy.

Fair values of the pension plan investments are summarized as follows

	Quoted Prices in Active Markets For Identical Assets ( <u>Level 1</u> )	Significant Other Observable Inputs ( <u>Level 2</u> )	Significant Unobservable Inputs ( <u>Level 3</u> )
Pension Assets at Fair Value as of September 30, 2013			
Money market funds	\$ 486,308	\$ -	\$ -
Equity mutual funds			
Large cap	4,531,989	-	-
Mid cap	722,790	-	-
Small cap	320,493	-	-
Bond mutual funds			
Intermediate term	2,920,478	-	-
Short term	494,716	-	-
Other	284,383	-	-

	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pension Assets at Fair Value as of September 30, 2012			
Money market funds	\$ 326,668	\$ -	\$ -
Equity mutual funds			
Large cap	2,933,117	-	-
Mid cap	671,826	-	-
Small cap	327,672	-	-
Bond mutual funds			
Intermediate term	2,966,609	-	-
Short term	380,383	-	-
Other	230,133	-	-

The actuarial value of assets related to the Authority's Plan was \$51,738,922 and \$50,306,341, at January 1, 2013 and 2012, respectively, the date of the latest valuation. The unfunded actuarial liability calculated for the Authority's Plan was \$6,742,167 and \$6,163,938 at January 1, 2013 and 2012, respectively, as determined by the independent actuary. Assets of the Authority's Plan are invested in cash equivalents and mutual funds.

Pension expense incurred by the Group related to the Authority's Plan for the year ended September 30, 2013 and 2012 was \$416,298 and \$353,823, respectively. Actuarial methods and assumptions include the entry age normal actuarial cost method, 7.25% investment return rate, a level dollar amortization method with a closed basis amortization period (25 years on the initial base, 16.75 years on plan amendments base and 14 years on experience base) and an asset valuation method determined under a three year smoothing method.

## 9 Other Retirement Plans

The Authority's Section 403(b) plan was amended, restated, and renamed effective October 1, 2009 to reflect a transfer of sponsorship from the Authority to WGMC. Substantially all employees of WGMC are eligible to enroll in the plan on their date of hire. Participants may contribute through payroll deferrals, up to 100% of their eligible compensation, subject to certain limitations as determined annually by law. WGMC matches 100% of employees' contributions up to a maximum of 4% of eligible compensation. Employee benefits expense for the years ended September 30, 2013 and 2012 includes \$1,246,001 and \$1,204,760, respectively, related to this plan.

In addition, effective October 1, 2009, WGMC adopted the Authority's Section 457(f) plan for certain executives. Accrued salaries, benefits, vacation and amounts withheld in the combined balance sheets include approximately \$116,000 and \$1,563,000 at September 30, 2013 and 2012, respectively, related to this plan. WGMC incurred expenses of approximately \$182,000 and \$693,000 related to this plan in 2013 and 2012, respectively.

10 **Related Organizations and Related Party Transactions**

Vernon Woods Retirement Community, Inc. ("VWRC") is an affiliate of WGH which is its sole corporate member. VWRC is a nonprofit, 46-unit assisted living center. Due from uncombined affiliates at September 30, 2013 and 2012 includes approximately \$121,000 and \$470,000, respectively, in amounts due from VWRC for advances and services provided under a management agreement which terminated prior to 2006. The amount is being repaid pursuant to a \$1,500,000 informal line of credit. Interest accrues on the outstanding principal at the Wall Street Journal listed prime rate on an annual basis. The VWRC line of credit expired in October 2012. The Company amended the agreement in February 2013 to extend maturity to the time when the remainder of the amount due is paid. VWRC has a positive net asset position and management expects ultimate realization of all amounts due.

A summary of VWRC's assets, liabilities, and net assets as of September 30, 2013 and 2012 and its revenue and expenses for the year then ended are as follows:

	<u>2013</u>	<u>2012</u>
Assets		
Current assets	\$ 266,837	\$ 305,934
Property and equipment, net	<u>10,648,354</u>	<u>11,116,046</u>
	<u>\$ 10,915,191</u>	<u>\$ 11,421,980</u>
Liabilities		
Current liabilities	\$ 266,673	\$ 618,255
Net assets (primarily permanently restricted)	<u>10,648,518</u>	<u>10,803,725</u>
	<u>\$ 10,915,191</u>	<u>\$ 11,421,980</u>
Revenues	2,736,751	2,806,380
Expenses	<u>2,891,958</u>	<u>2,915,335</u>
Excess of expenses over revenues	<u>\$ (155,207)</u>	<u>\$ (108,955)</u>

11 **Temporarily and Permanently Restricted Net Assets**

The George E. Sims, Jr. Nursing Scholarship Fund ("Sims Fund") was set up during 1967 in memory of the late George E. Sims, Jr. Funds are granted by the Fuller E. Callaway Foundation for the purpose of administering the nursing scholarship fund. The scholarships require that the recipients return to work for a specified period of time after they complete their nursing degree. If the recipient does not return and work the required period of time, the funds disbursed on their behalf become due immediately and interest is charged until the funds are repaid.

During 2013, the administration of the Sims Fund was transferred to the Authority through a change in the Sims Fund bylaws. As such, all assets, liabilities, and net assets amounting to approximately \$1,470,000 were transferred to the Authority effective October 1, 2012. At September 30, 2012, other current and long-term receivables included approximately \$1,470,000 which is net of \$385,000 in estimated allowance for uncollectible accounts for scholarship funds outstanding to students in school, graduates working at WGMC and amounts due from others out of the program. Assets limited as to use by donors for specific purposes included \$18,889 at September 30, 2012 in cash related to the scholarship program.

All assets and liabilities of the Authority transferred to WGMC are subject to the restrictions and covenants required by the Callaway Foundation, Inc and the Fuller E Callaway Foundation. Permanently restricted net assets consist of land and the assets attached thereto contributed with donor-imposed restrictions by the Callaway Foundation, Inc. The restrictions limit the use of the property to hospital purposes. In the event the property ceases to be used for such purposes, said land, along with all assets attached, shall revert to the Callaway Foundation, Inc., its successors or assignee. Changes to permanently restricted net assets consist of a reduction for depreciation in 2013 and 2012 related to the restricted property.

Permanently restricted net assets also include \$912,000 at September 30, 2013 and 2012 held in an endowment. Income from the endowment is expendable to support cancer treatment and research.

Temporarily restricted net assets consist of the following at September 30:

	<u>2013</u>	<u>2012</u>
Foundation assets restricted by donors for specific capital and other purposes	\$ 7,680,550	\$ 5,362,836
Sims scholarship funds	<u>-</u>	<u>1,469,381</u>
Total restricted net assets	\$ <u>7,680,550</u>	\$ <u>6,832,217</u>

Permanently restricted net assets consist of the following at September 30:

	<u>2013</u>	<u>2012</u>
Foundation assets restricted under endowment agreement	\$ 912,000	\$ 912,000
Property and improvements permanently restricted for hospital purposes due to proximity on restricted land	5,208,413	5,456,348
Collections permanently restricted	<u>2,355,189</u>	<u>2,352,189</u>
Total restricted net assets	\$ <u>8,475,602</u>	\$ <u>8,720,537</u>

## 12 Commitments and Contingencies

The Group maintains \$10,000,000 in commercial insurance on a claims-made basis for professional liability, as well as other commercial insurance to cover general liabilities. The insurance provides for a deductible of \$1,500,000 per occurrence and \$4,500,000 in the aggregate annually.

The Group intends to maintain such insurance in the future. The Group is involved in litigation arising from its operations. Management is of the opinion that the insurance coverage is adequate to cover any potential losses on asserted claims in excess of deductible amounts. Provisions for reported claims, including a per-claim deductible, have been estimated and recorded by management, and management is unaware of any other incidents which would ultimately result in a loss in excess of the Group's insurance coverage. No amounts have been accrued for potential losses related to unreported incidents or reported incidents which have not yet resulted in asserted claims as WGMC is not able to estimate such amounts.

The Group is self-insured for medical and other healthcare benefits provided to its employees and their families. Reinsurance, covering costs incurred above \$200,000 per individual and up to approximately \$2,000,000, less the deductible, maximum lifetime benefit per individual, is maintained through a commercial excess coverage policy. A provision for estimated incurred but not reported claims has been provided in the combined financial statements. Accrued expenses at September 30, 2013 and 2012 include \$1,160,242 and \$1,138,733, respectively, related to employee health benefits. Employee benefits expense for 2013 and 2012 includes \$9,240,869 and \$9,148,501, respectively, related to employee health benefits.

The Group is self-insured for workers' compensation with reinsurance through a commercial excess workers' compensation policy. The Group retains \$400,000 per occurrence and \$1,000,000 in the aggregate per year and is required to maintain a \$530,000 letter of credit on behalf of the Georgia Self-Insurers Guaranty Trust Fund. Estimated liabilities for reported and unreported claims are recorded based on an analysis of workers' compensation losses performed by an outside party. Accrued expenses at September 30, 2013 and 2012 include \$105,683 and \$126,666, respectively, related to worker's compensation.

The Group leases office space, facilities, and equipment under separate operating leases which expire at various times. Renewal and purchase options vary depending on the individual lease agreements. Certain medical equipment leases provide for lease payments based on the number of medical procedures performed. The Group incurred total lease expense of approximately \$1,623,000 and \$1,670,000 in 2013 and 2012, respectively. Future minimum lease payments under noncancellable operating leases with initial or remaining lease terms in excess of one year at September 30, 2013 are not significant.

The Group outsources its billing operations to a consulting services organization. The agreement expires in 2016 and contains certain early termination options, as defined in the agreement. Expense related to this agreement for the years ended September 30, 2013 and 2012 was approximately \$5,311,000 and \$5,840,000, respectively, which is included in professional fees and services in the combined statement of operations.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, Medicare fraud and abuse and patient records privacy and security. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.



13 **Concentrations of Risk**

The Group grants credit to patients, substantially all of whom reside in western Georgia. The Group generally does not require collateral or other security in extending credit to patients, however, they routinely obtain assignment of (or are otherwise entitled to receive) patients' benefits payable under their health programs, plans, or policies (e.g. Medicare, Medicaid, Blue Cross, and other preferred provider arrangements and commercial insurance policies).

The mix of receivables from patients and third-party payors was as follows:

	<b><u>2013</u></b>	<b><u>2012</u></b>
Medicare	28%	22%
Medicaid	11	12
Blue Cross	12	14
Commercial	12	17
Private pay	<u>37</u>	<u>35</u>
	<u>100%</u>	<u>100%</u>

14 **Promises to Give**

Unconditional promises to give consist of corporate and individual promises, including promises from employees of WGMC obtained primarily through fund raising campaigns.

The amounts of unconditional promises to give at September 30 are estimated to be due as follows:

	<b><u>2013</u></b>	<b><u>2012</u></b>
Amounts due in less than one year	\$ 1,423,378	\$ 76,000
Amounts due in one to five years	<u>229,718</u>	<u>246,161</u>
	1,653,096	322,161
Less estimated allowance for uncollectible amounts	(70,310)	(82,216)
Less estimated discounts on multi-year promises	<u>(12,900)</u>	<u>(20,462)</u>
	<u>\$ 1,569,886</u>	<u>\$ 219,483</u>

The allowance for uncollectible amounts is based upon management's estimates of uncollectible promises to give, however, due to the uncertainty associated with such estimates and limited historical experience in this area, management's estimate could change in 2014.

During 2013, the Foundation received a \$5 million conditional pledge with the Foundation earning the money as they are able to raise matching funds for the future purpose of building a cancer center. The Foundation raised enough funds during the year ended September 30, 2013 to recognize the first installment of \$1,250,000 of the pledge which is recorded as an unconditional pledge at September 30, 2013 on the accompanying balance sheets. That amount was received from the donor in October 2013.

15 **Fair Value of Financial Instruments**

Financial assets are classified based on the lowest level of input that is significant to the fair value measurement. The Group's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the fair value of the assets and their placement within the fair value hierarchy levels.

The following summarizes the Group's financial assets included in investments and assets limited by use by level.

Assets at Fair Value as of September 30, 2013			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity exchange traded funds	\$ 6,272,038	\$ -	\$ -
Fixed income exchange traded funds	12,325,037	-	-
Equity mutual funds			
Small cap	682,110	-	-
Mid cap	465,294	-	-
Large cap	10,614,611	-	-
Bond mutual funds			
High yield	1,472,589	-	-
Intermediate term	2,467,824	-	-
Short term	2,224,920	-	-
Ultra-short term	4,294,732	-	-
Hedge fund		1,087,680	-

The Group has \$1,781,139 of cash and cash equivalents and \$1,569,886 of contributions receivable included in investments and assets limited as to use on the combined balance sheets at September 30, 2013, which are not subject to the fair value disclosure in the above table.

	Assets at Fair Value as of September 30, 2012		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Equity exchange traded funds	\$ 3,088,003	\$ -	\$ -
Fixed income exchange traded funds	13,876,788	-	-
Equity mutual funds			
Small cap	983,691	-	-
Mid cap	980,162	-	-
Large cap	9,014,763	-	-
Other	211,143	-	-
Other equities	25,850	-	-
Bond mutual funds			
High yield	102,856	-	-
Intermediate term	3,297,332	-	-
Short term	3,363,510	-	-
Ultra-short term	2,861,286	-	-
Other	170,791	-	-
Hedge fund	-	1,018,016	-

The Group has \$2,702,592 of cash and cash equivalents and \$219,483 of contributions receivable included in investments and assets limited as to use on the combined balance sheets at September 30, 2012, which are not subject to the fair value disclosure in the above table

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

*Cash and cash equivalents* - The carrying amounts reported in the combined balance sheets for cash and cash equivalents approximate their fair value

*Investments* - Fair values, which are the amounts reported in the combined balance sheets, are based on quoted market prices, if available, estimated using quoted market prices for similar securities, or estimated using pricing models, discounted cash flow methodologies, or similar techniques

*Patient accounts receivable* - The carrying amounts reported in the combined balance sheets for patient accounts receivable approximate their fair values

*Assets limited as to use* - Fair values, which are the amounts reported in the combined balance sheets, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities

*Accounts payable, accrued salaries and benefits, and other accrued expenses* - The carrying amounts reported in the combined balance sheets for accounts payable and accrued expenses approximate their fair value

*Estimated third-party payor settlements* - The carrying amounts reported in the combined balance sheets for estimated third-party payor settlements approximate their fair value

*Debt* - The fair value of the Group's various financing transactions approximate their carrying value, as interest rates and other terms are commensurate with the credit and interest rate risks involved

## 16 **Discontinued Operations**

Effective March 1, 2012, the dialysis clinic was sold to a third-party for approximately \$5,200,000. In connection with the sale, certain operating assets and liabilities were transferred to the buyer. Approximately \$511,000 in capital assets and approximately \$320,000 in other assets were included in the sale. The sales proceeds less these assets and any operating and administrative expenses are recorded as a net gain from discontinued operations. The following is a summary of the gain (loss) from operations of the discontinued operations for the year ended September 30, 2012:

Net patient service revenue	\$ 1,539,692
Net gain on disposal	4,052,793
Total revenues and gains	<u>5,592,485</u>
Operating and administrative expense	<u>(1,491,893)</u>
Net gain from discontinued operations	<u>\$ 4,100,592</u>