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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

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

C Name of organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2300 FALL HILL AVENUE NO 418

City or town, state or province, country, and ZIP or foreign postal code
FREDERICKSBURG, VA 22401

D Employer identification number
20-1106426

E Telephone number
(540) 741-2513

G Gross receipts $ 592,231,195

F Name and address of principal officer
SEAN T BARDEN
2300 FALL HILL AVENUE NO 418
FREDERICKSBURG,VA 22401

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

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

H(c) Group exemption number ▶ 4243

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

J Website: ▶ WWW MARYWASHINGTONHEALTHCARE COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1983

M State of legal domicile VA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OUR MISSION IS TO IMPROVE THE HEALTH OF PEOPLE IN THE COMMUNITIES WE SERVE THROUGH OUR SUBSIDIARIES WE PROVIDE INPATIENT AND OUTPATIENT HOSPITAL SERVICES AND OTHER MEDICAL SERVICES

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	52
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	43
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	3,947
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,328,196
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-1,325,133

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,411,552	4,974,765
	9 Program service revenue (Part VIII, line 2g)	537,035,684	568,469,103
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,855,304	6,538,697
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,215,573	12,111,756
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	555,518,113	592,094,321
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,402,339	4,048,808
	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)	249,763,997	231,459,510
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	44,755
	b Total fundraising expenses (Part IX, column (D), line 25) ▶164,713		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	325,039,772	368,327,985
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	577,206,108	603,881,058
	19 Revenue less expenses Subtract line 18 from line 12	-21,687,995	-11,786,737

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	491,115,201	464,708,560
	21 Total liabilities (Part X, line 26)	305,149,607	297,345,687
	22 Net assets or fund balances Subtract line 21 from line 20	185,965,594	167,362,873

Part II Signature Block

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

Sign Here

****** | 2014-10-23
Signature of officer | Date

SEAN T BARDEN EXECUTIVE VICE PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☑ if self-employed	PTIN
KEITH L WAMPLER		2014-10-23		P00436324

Firm's name ▶ PBMARES LLP | Firm's EIN ▶ 54-0737372

Firm's address ▶ 725 JACKSON STREET SUITE 210
FREDERICKSBURG, VA 22401 | Phone no (540) 371-3566

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission

OUR MISSION IS TO IMPROVE THE HEALTH OF PEOPLE IN THE COMMUNITIES WE SERVE THROUGH OUR SUBSIDIARIES WE PROVIDE INPATIENT AND OUTPATIENT HOSPITAL SERVICES AND OTHER MEDICAL SERVICES

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 $ 587,642,042 including grants of $ 4,048,808) (Revenue $ 564,364,885)

PROVISION OF INPATIENT AND OUTPATIENT GENERAL ACUTE CARE HOSPITAL, PSYCHIATRIC HOSPITAL SERVICES, HOME HEALTH AND HOSPICE SERVICES, IMAGING AND AMBULATORY SURGERY SERVICES AND PHYSICIAN SERVICES PRIMARY SERVICE AREAS ARE FAIRFAX, STAFFORD, SPOTSYLVANIA, CAROLINE, KING GEORGE, AND WESTMORELAND COUNTIES IN VIRGINIA AND SECONDARY SERVICE AREAS INCLUDE MANASSAS, FAUQUIER, CULPEPER, ORANGE, LOUISA, HANOVER, ESSEX AND RICHMOND COUNTIES IN VIRGINIA WE SERVED 118,721 PATIENTS IN OUR EMERGENCY ROOMS, 17,800 SURGICAL CASES AND 26,731 PATIENT DISCHARGES

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ 587,642,042

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 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 other assistance to or for any foreign organization? *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 other assistance to or for foreign individuals? *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	Yes	
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	Yes	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	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 or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☑

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	453		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	3,947		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O		13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	**1a**	52		
	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				
b	Enter the number of voting members included in line 1a, above, who are independent	**1b**	43		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			**2**		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			**3**		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			**4**		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			**5**		No
6	Did the organization have members or stockholders?			**6**	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			**7a**	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			**7b**	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			**8a**	Yes	
b	Each committee with authority to act on behalf of the governing body?			**8b**	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			**9**		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	**12a**	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	**12b**	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	**12c**	Yes	
13	Did the organization have a written whistleblower policy?	**13**	Yes	
14	Did the organization have a written document retention and destruction policy?	**14**	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	**15a**	Yes	
b	Other officers or key employees of the organization	**15b**	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	**16a**	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	**16b**	Yes	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☑ Own website ☐ Another's website ☑ Upon request ☐ 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

▶WILLIAM YASCKO 2300 FALL HILL AVENUE NO 418
FREDERICKSBURG,VA 22401 (540)741-2513

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

Check if Schedule O contains a response or note to any line 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			

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

(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			
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								5,490,689	4,378,260	640,818

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 3,886

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MORRISON MANAGEMENT 5801 PEACHTREE DUNWOODY ROAD ATLANTA GA 30342	FOOD SERVICES	4,701,206
CHILDREN'S NATIONAL HOSPITAL 111 MICHIGAN AVE NW SUITE 3W-100 WASHINGTON DC 20010	PHYSICIAN SERVICES	2,807,370
WHITING-TURNER CONTRACTING PO BOX 17596 BALTIMORE MD 21297	CONSTRUCTION SERVICES	2,227,583
W C SPRATT INC PO BOX 824 FREDERICKSBURG VA 224040824	CONSTRUCTION SERVICES	1,997,533
CROTHALL SERVICES GROUP 955 CHESTERBROOK BLVD STE 300 WAYNE PA 19087	LAUNDRY SERVICES	1,652,597

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 62

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	429,362			
	d	Related organizations . . .	1d	513,686			
	e	Government grants (contributions)	1e	446,530			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,585,187			
	g	Noncash contributions included in lines 1a-1f $		32,946			
	h	**Total.** Add lines 1a-1f . . . . . ▶			4,974,765		
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICES REVENUE	623000		552,714,578	552,714,578	
	b	MANAGEMENT SERVICES	623000		6,445,829	6,445,829	
	c	OTHER OPERATING REVENUE	623000		5,894,693	5,894,693	
	d	LAB FEES	621500		2,328,196		2,328,196
	e	OTHER SERVICES	623000		547,222	547,222	
	f	All other program service revenue			538,585	538,585	
	g	**Total.** Add lines 2a–2f . . . . . ▶			568,469,103		
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶			1,274,370		1,274,370
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real	(ii) Personal			
	6a	Gross rents	13,555,615	226,807			
	b	Less rental expenses	0	0			
	c	Rental income or (loss)	13,555,615	226,807			
	d	Net rental income or (loss) . . . . . ▶			13,782,422		13,782,422
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		5,264,327			
	b	Less cost or other basis and sales expenses		0			
	c	Gain or (loss)		5,264,327			
	d	Net gain or (loss) . . . . . ▶			5,264,327		5,264,327
Other Revenue	8a	Gross income from fundraising events (not including $ 429,362 of contributions reported on line 1c) See Part IV, line 18 . . a		242,230			
	b	Less direct expenses . . . b		136,874			
	c	Net income or (loss) from fundraising events . . ▶			105,356		105,356
	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	INCOME FROM PSHIP/LLC	900099		-1,776,022	-1,776,022	
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶			-1,776,022		
	12	**Total revenue.** See Instructions . . . . . ▶			592,094,321	564,364,885	2,328,196	20,426,475

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 or note to any line 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	3,981,058	3,981,058		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	67,750	67,750		
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	1,742,551	1,695,502	46,700	349
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	189,658,174	184,537,403	5,082,839	37,932
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	5,139,020	5,000,266	137,726	1,028
9 Other employee benefits	20,418,143	19,866,853	547,206	4,084
10 Payroll taxes	14,501,622	14,110,079	388,643	2,900
11 Fees for services (non-employees)				
a Management	65,090,266	63,332,829	1,744,419	13,018
b Legal	63,009	61,307	1,689	13
c Accounting	70,900	68,986	1,900	14
d Lobbying				
e Professional fundraising services See Part IV, line 17	44,755			44,755
f Investment management fees	112,448	109,412	3,014	22
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	74,952,298	72,928,586	2,008,721	14,991
12 Advertising and promotion	99,555	96,867	2,668	20
13 Office expenses	3,373,869	3,282,774	90,420	675
14 Information technology	1,969,869	1,916,683	52,792	394
15 Royalties . .				
16 Occupancy	30,040,875	29,229,772	805,095	6,008
17 Travel	1,476,232	1,436,374	39,563	295
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	412,646	401,504	11,059	83
20 Interest	920,108	895,265	24,659	184
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	30,397,538	29,576,804	814,654	6,080
23 Insurance	4,333,978	4,216,960	116,151	867
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 OTHER MEDICAL & HOSPITA	92,378,080	89,883,871	2,475,733	18,476
b BAD DEBT EXPENSE	53,091,503	51,658,033	1,422,852	10,618
c MEDICAL AND HOSPITAL SU	3,469,830	3,376,145	92,991	694
d REPAIRS AND MAINTENANCE	3,449,101	3,355,975	92,436	690
e All other expenses	2,625,880	2,554,984	70,373	523
25 **Total functional expenses.** Add lines 1 through 24e	603,881,058	587,642,042	16,074,303	164,713
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 ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		1,228,402	1	974,287
	2	Savings and temporary cash investments		1,154,684	2	1,146,333
	3	Pledges and grants receivable, net		18,513,794	3	17,548,710
	4	Accounts receivable, net		92,132,649	4	79,331,131
	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		4,094,742	7	2,352,885
	8	Inventories for sale or use		8,678,498	8	9,200,898
	9	Prepaid expenses and deferred charges		2,470,759	9	2,834,615
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 694,227,383			
	b	Less accumulated depreciation	10b 410,131,918	298,871,143	10c	284,095,465
	11	Investments—publicly traded securities		46,814,526	11	51,217,305
	12	Investments—other securities See Part IV, line 11		15,294,513	12	14,255,183
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		1,861,491	14	1,751,748
	15	Other assets See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		491,115,201	16	464,708,560
Liabilities	17	Accounts payable and accrued expenses		33,505,968	17	33,648,086
	18	Grants payable			18	
	19	Deferred revenue			19	495
	20	Tax-exempt bond liabilities		267,954,672	20	260,051,743
	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		3,688,967	25	3,645,363
	26	**Total liabilities.** Add lines 17 through 25		305,149,607	26	297,345,687
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		167,487,901	27	149,816,967
	28	Temporarily restricted net assets		17,219,483	28	16,287,696
	29	Permanently restricted net assets		1,258,210	29	1,258,210
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		185,965,594	33	167,362,873
	34	Total liabilities and net assets/fund balances		491,115,201	34	464,708,560

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	592,094,321
2	Total expenses (must equal Part IX, column (A), line 25)	2	603,881,058
3	Revenue less expenses Subtract line 2 from line 1	3	-11,786,737
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	185,965,594
5	Net unrealized gains (losses) on investments	5	363,752
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	-7,179,736
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	167,362,873

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

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

Additional Data

Software ID:
Software Version:
EIN: 20-1106426
Name: MARY WASHINGTON HEALTHCARE GROUP RETURN

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

(A) Name and Title	(B) Average hours per week (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			
FRED M RANKIN III PRESIDENT	4 00 40 00	X		X				0	674,956	28,919
SEAN T BARDEN EXECUTIVE VP	4 00 40 00	X		X				0	382,802	34,037
WALTER J KIWALL EXECUTIVE VP	4 00 40 00	X		X				0	398,289	26,770
XAVIER R RICHARDSON EXECUTIVE VP	2 00 40 00	X		X				0	480,354	23,465
J THOMAS RYAN MD EXECUTIVE VP	2 00 40 00	X		X				0	252,812	13,297
RAVI MATHUR VICE PRESIDENT	2 00 40 00	X		X				0	191,316	22,548
CHERYL SPRINGHORN EXECUTIVE DIRECTOR	2 00 40 00	X						0	143,037	11,106
KENNETH N JOSOVITZ MD PRESIDENT-STAFFORD HOSPITA	3 00 2 00	X						24,667	0	0
DAVID M GARTH MD PRESIDENT-MARY WASHINGTON	4 00 2 00	X						26,000	0	0
ROBERT E HOUCK TRUSTEE	2 00 40 00	X						0	85,753	2,655
JOHN F FICK III CHAIRMAN-MPI	2 00 8 00	X		X				0	0	0
ALDA L WHITE VICE CHAIR-MPI	2 00 2 00	X		X				0	0	0
DONALD H NEWLIN SECRETARY/TREAS-MPI	2 00 5 00	X		X				0	0	0
WILLIAM BOLDON TRUSTEE	2 00 3 00	X						0	0	0
JAN C ERKERT TRUSTEE	2 00 2 00	X						0	0	0
KURT R LARSON MD TRUSTEE	2 00 2 00	X						0	0	0
RAYMOND C MCAFOOSE TRUSTEE	2 00 3 00	X						0	0	0
MICHAEL P MCDERMOTT MD TRUSTEE	2 00 2 00	X						0	0	0
JOHN C MCKEOWN MD TRUSTEE	2 00 2 00	X						0	0	0
FRED M MESSING TRUSTEE	2 00 2 00	X						0	0	0
CLARENCE A ROBINSON TRUSTEE	2 00 2 00	X						0	0	0
RAYMOND L SLAUGHTER TRUSTEE	2 00 2 00	X						0	0	0
JONATHAN D WALLACE TRUSTEE	2 00 2 00	X						0	0	0
MARY KATHERINE GREENLAW CHAIRMAN-MWH FOUNDATION	4 00 0 00	X		X				0	0	0
EDWARD V ALLISON JR VICE CHAIR-MWH FOUNDATION	2 00 0 00	X		X				0	0	0

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

(A) Name and Title	(B) Average hours per week (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			
WILLIAM B YOUNG SEC/TREAS MWH FOUNDATION	2 00 0 00	X		X				0	0	0
MARK A BUTTERWORTH TRUSTEE	2 00 0 00	X						0	0	0
R LEIGH FRACKELTON JR TRUSTEE	2 00 0 00	X						0	0	0
JEFFREY A FRAZIER TRUSTEE	2 00 0 00	X						0	0	0
ROCHELLE GREY TRUSTEE	2 00 0 00	X						0	0	0
CHRISTOPHER T HUESGEN MD TRUSTEE	2 00 0 00	X						0	0	0
PATRICIA LYNCH TRUSTEE	2 00 0 00	X						0	0	0
EDWARD O MINNIEAR TRUSTEE	2 00 0 00	X						0	0	0
JUDITH G SMITH TRUSTEE	2 00 0 00	X						0	0	0
DOUGLAS G STEWART TRUSTEE	2 00 0 00	X						0	0	0
JOSEPH R WILSON TRUSTEE	2 00 0 00	X						0	0	0
W MALONE SCHOOLER CHAIRMAN-SH FOUNDATION	2 00 0 00	X		X				0	0	0
JO D KNIGHT VICE CHAIRMAN-SH FOUNDATIO	2 00 0 00	X		X				0	0	0
ELAINE F FARMER SEC/TREAS SH FOUNDATION	2 00 0 00	X		X				0	0	0
KEVIN BREEN TRUSTEE	2 00 0 00	X						0	0	0
CLAY HUBER TRUSTEE	2 00 0 00	X						0	0	0
DOUGLAS R JOHNSON MD TRUSTEE	2 00 0 00	X						0	0	0
WILLIAM R JOHNSON TRUSTEE	2 00 0 00	X						0	0	0
GLEN E KINARD TRUSTEE	2 00 0 00	X						0	0	0
H CLARK LEMING TRUSTEE	2 00 0 00	X						0	0	0
TERENCE A MANNION TRUSTEE	2 00 0 00	X						0	0	0
CHARLES W MCDANIEL TRUSTEE	2 00 0 00	X						0	0	0
RAYMOND C MCAFOOSE TRUSTEE	2 00 0 00	X						0	0	0
JACK ROWLEY TRUSTEE	2 00 0 00	X						0	0	0
KATHRYN S WALL EXECUTIVE VP	2 00 40 00			X				0	262,203	17,670

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

(A) Name and Title	(B) Average hours per week (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			
MARIANNA BEDWAY SENIOR VP	2 00 40 00			X				235,731	0	31,482
ERIC FLETCHER SENIOR VP	2 00 40 00			X				0	219,177	11,671
WINIFRED J HAIKEY SENIOR VP	2 00 40 00			X				0	217,353	21,873
JOYCE HANSCOME SENIOR VP	2 00 40 00			X				0	238,527	24,420
RANDALL PATRICK STEWART SENIOR VP-(FORMER)	0 00 0 00			X				0	0	0
JAMES K VAN RENAN SENIOR VP	40 00 2 00			X				310,583	0	30,111
CATHLEEN A YABLONSKI SENIOR VP	40 00 2 00			X				207,481	0	27,793
AMY ADOME MD VICE PRESIDENT	2 00 40 00			X				0	46,727	3,151
REBECCA BIGONEY MD EXECUTIVE VP	40 00 2 00			X				324,817	0	24,244
KATHLEEN BOURGAULT VICE PRESIDENT	2 00 40 00			X				0	202,922	22,971
EILEEN L DOHMANN RN VICE PRESIDENT	40 00 2 00			X				0	211,890	9,898
MARIE FREDRICK VICE PRESIDENT	2 00 40 00			X				0	198,381	25,179
JAMES SWISHER VICE PRESIDENT	2 00 40 00			X				0	171,761	13,310
GLEN J POFFENBARGER MD NEUROSURGEON	40 00 0 00					X		1,138,490	0	40,260
JT SHERWOOD MD THORACIC SURGEON	40 00 0 00					X		790,441	0	40,560
CHRISTOS HATJIS MD PERINATOLOGISTS	40 00 0 00					X		637,334	0	31,267
MAURICE EGGLESTON JR MD PERINATOLOGISTS	40 00 0 00					X		560,087	0	37,506
THERESA A CONOLOGUE MD DERMATOLOGIST	40 00 0 00					X		718,194	0	31,210
LAWRENCE ROBERTS MD TRUSTEE (FORMER)	40 00 0 00						X	516,864	0	33,445

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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?

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

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** 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.** 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		
Return Reference	Explanation	

Name of organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

Part III *Exclusively* **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc ,
contributions of **$1,000 or less** for the year (Enter this information once See instructions) ▶ $
Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or 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	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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 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 ▶ $ _____

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

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part 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
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

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

b If "Yes," explain the arrangement in Part 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	31,457,238	29,168,493	31,364,122	29,030,361	25,187,112
b	Contributions	139,061	111,350	343,694	455,287	814,062
c	Net investment earnings, gains, and losses	3,041,697	3,125,019	-1,155,863	3,036,877	4,318,842
d	Grants or scholarships		39,250	63,750	17,000	15,000
e	Other expenditures for facilities and programs	1,878,976	908,374	1,319,711	1,141,403	1,275,156
f	Administrative expenses					
g	End of year balance	32,759,020	31,457,238	29,168,492	31,364,122	29,029,860

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

- a Board designated or quasi-endowment ▶ 71 470 %
- b Permanent endowment ▶ 24 690 %
- c Temporarily restricted endowment ▶ 3 840 %

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

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		24,284,779		24,284,779
b Buildings		255,712,751	78,773,768	176,938,983
c Leasehold improvements		23,043,803	6,547,837	16,495,966
d Equipment		339,305,480	314,233,540	25,071,940
e Other		51,880,570	10,576,773	41,303,797
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				284,095,465

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

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

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
CAPITAL LEASE OBLIGATIONS	3,040
ACCRUED LOSS-PROFESSIONAL LIABILITY	3,642,323
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	3,645,363

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	
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	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

Part XIII Supplemental Information

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

Return Reference	Explanation
PART V, LINE 4	THE INTEREST EARNED FROM THE ENDOWMENT FUNDS IS USED TO FUND SCHOLARSHIPS AND GRANTS IN FUTHERANCE OF OUR MISSION
PART X, LINE 2	MWHC WAS RECOGNIZED AS A PUBLIC CHARITY GENERALLY EXEMPT FROM FEDERAL INCOME TAXATION UNDER 501(C)(3) OF THE INTERNAL REVENUE CODE PURSUANT TO A DETERMINATION LETTER ISSUED BY THE IRS IN MARCH 1992 MWHC IS ENTITLED TO RELY ON THIS DETERMINATION AS LONG AS THERE ARE NO SUBSTANTIAL CHANGES IN ITS CHARACTER, PURPOSES, OR METHODS OF OPERATION MANAGEMENT HAS CONCLUDED THAT THERE HAVE BEEN NO SUCH CHANGES, AND THEREFORE MWHC'S STATUS AS A PUBLIC CHARITY EXEMPT FORM FEDERAL INCOME TAXATION REMAINS IN EFFECT THE STATE IN WHICH MWHC OPERATES ALSO PROVIDES GENERAL EXEMPTION FROM STATE INCOME TAXATION FOR ORGANIZATIONS THAT ARE EXEMPT FROM FEDERAL INCOME TAXATION HOWEVER, MWHC IS SUBJECT TO BOTH FEDERAL AND STATE INCOME TAXATION AT CORPORATE TAX RATES ON ITS UNRELATED BUSINESS INCOME EXEMPTION FROM OTHER STATE TAXES, SUCH AS REAL AND PERSONAL PROPERTY TAXES, IS SEPARATELY DETERMINED CERTAIN ENTITIES UNDER MWHC ARE TAXABLE ENTITIES MWHC HAD NO UNRECOGNIZED TAX BENEFIT OR LIABILITIES OR SUCH AMOUNTS WERE IMMATERIAL DURING THE PERIODS PRESENTED FOR TAX PERIODS WITH RESPECT TO WHICH NO UNRELATED BUSINESS INCOME WAS RECOGNIZED, NO TAX RETURN WAS REQUIRED TAX PERIODS FOR WHICH NO RETURN IS FILED REMAIN OPEN FOR EXAMINATION INDEFINITELY ALL REQUIRED TAX FILINGS HAVE BEEN FILED ON A TIMELY BASIS

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

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

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

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

- **a** ☐ Mail solicitations
- **b** ☐ Internet and email solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☑ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☑ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

	(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	**(iii)** No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
1	HENDERSON MALLORY PARTNERS 2838 MONTEBELLO ROAD NO 19 AUSTIN, TX 78746	FUNDRAISING FOR CANCER CENTER		No	400,720	360,908	39,812
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ▶					400,720	360,908	39,812

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

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 SHF GOLF TOURNAMENT (event type)	(b) Event #2 MWHF GOLF TOURNAMENT (event type)	(c) Other events 7 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	288,620	118,141	264,831	671,592
	2 Less Contributions	166,580	96,000	166,782	429,362
	3 Gross income (line 1 minus line 2)	122,040	22,141	98,049	242,230
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	24,134	9,075	35,650	68,859
	6 Rent/facility costs	12,117	10,143	1,860	24,120
	7 Food and beverages	1,140	891	14,875	16,906
	8 Entertainment				
	9 Other direct expenses	3,978	518	22,493	26,989
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(136,874)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				105,356

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Subtract line 7 from line 1, column (d) ▶				

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

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

b If "No," explain _____

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

b If "Yes," explain _____

11

Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	%
b	An outside facility	13b	%

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

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

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

c If "Yes," enter name and address of the third party

Name ▶ .....

Address ▶ .....

16 Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ $ .....

Description of services provided ▶ .....

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

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

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493303009034

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.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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 ☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ 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 *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)			26,925,293		26,925,293	4 460 %
b Medicaid (from Worksheet 3, column a)			49,296,728	33,822,307	15,474,421	2 560 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			76,222,021	33,822,307	42,399,714	7 020 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			826,337		826,337	0 140 %
f Health professions education (from Worksheet 5)			1,185,258	77,182	1,108,076	0 180 %
g Subsidized health services (from Worksheet 6)			59,526,073	40,586,085	18,939,988	3 140 %
h Research (from Worksheet 7)			472,914	111,850	361,064	0 060 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			889,745	1,774,292	-884,547	0 %
j **Total.** Other Benefits			62,900,327	42,549,409	20,350,918	3 520 %
k **Total.** Add lines 7d and 7j			139,122,348	76,371,716	62,750,632	10 540 %

Part II Community 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
1	Physical improvements and housing						
2	Economic development						
3	Community support			15,673		15,673	0 %
4	Environmental improvements			1,602		1,602	0 %
5	Leadership development and training for community members						
6	Coalition building			516		516	0 %
7	Community health improvement advocacy			310		310	0 %
8	Workforce development			1,630,421		1,630,421	0 270 %
9	Other			185,553		185,553	0 030 %
10	**Total**			1,834,075		1,834,075	0 300 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	17,395,304		
3	Enter 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	5,392,544		
4	Provide 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

5	Enter total revenue received from Medicare (including DSH and IME)	5	137,571,027
6	Enter Medicare allowable costs of care relating to payments on line 5	6	172,929,659
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-35,358,632

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (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	1 MEDICAL IMAGING OF FREDERICKSBURG	OUTPATIENT IMAGING	51 000 %		49 000 %
2	2 FREDERICKSBURG AMBULATORY SURGERY CENTER	AMBULATORY SERGICAL SERVICES	53 370 %		46 630 %
3	4 BUNKER HILL PARTNERS	MEDICAL OFFICE BUILDING	20 000 %		20 000 %
4	5 COWAN INVESTMENT PARTNERS	MEDICAL OFFICE BUILDING	12 500 %		37 500 %
5	6 MEDICAL PLAZA AT COSNER CORNER	MEDICAL OFFICE BUILDING	39 500 %		47 400 %
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? 2

Name, address, primary website address, and state license number

	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
See Additional Data Table										

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)

Name of hospital facility or facility reporting group MARY WASHINGTON HOSPITAL INC

If reporting on Part V, Section B for a single hospital facility 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	1	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	5	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW MARYWASHINGTONHEALTHCARE COM/MARY-WAS			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☑ 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 as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7	Yes	
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
9 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?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**	Yes	
16 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 individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 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 individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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 individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

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

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group STAFFORD HOSPITAL LLC

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 2

			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	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 11			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests 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**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) WWW MARYWASHINGTONHEALTHCARE COM/STAFFORD			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☑ 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 as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide plan			
d	☐ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**	Yes	
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
9 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?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections			
15 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?	**15**		No
16 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 individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 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 individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

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 individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

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

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

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
MARY WASHINGTON HOSPITAL, INC	PART V, SECTION B, LINE 3 IN MAY 2011, MARY WASHINGTON HEALTHCARE (INCLUDING MARY WASHINGTON HOSPITAL AND STAFFORD HOSPITAL) AND THE RAPPAHANNOCK AREA HEALTH DISTRICT LAUNCHED THE HEALTHY COMMUNITIES PARTNERSHIP (HCP) OTHER FOUNDING MEMBERS ARE RAPPAHANNOCK UNITED WAY, KAISER PERMANENTE OF THE MID ATLANTIC STATES, AND THE RAPPAHANNOCK AREA COMMUNITY SERVICES BOARD THESE INITIAL SPONSORS AGREED THAT SUCCESS WAS DEPENDENT ON GATHERING A DIVERSE GROUP OF INDIVIDUALS TO COLLECTIVELY PROVIDE BROAD PERSPECTIVE ON THE REGION'S HEALTH CARE NEEDS THIS REGIONAL HOSPITALS, HEALTH DEPARTMENT AND INSURERS, PRIVATE BUSINESSES, COMMUNITY-BASED ORGANIZATIONS, AND HEALTH CARE AND MENTAL HEALTHON THE HCP'S COMMITTEES AS A DIRECT RESULT OF THIS INITIAL MEETING, THE HCP ADVISORY COMMITTEE NOW HAS 40 ACTIVE VOLUNTEERS REPRESENTING INITIAL MEETING WAS TO COMMUNICATE THIS NEW INITIATIVE WITH COMMUNITY STAKEHOLDERS AND GAUGE BOTH THE LEVEL AND AVAILABILITY TO SERVE GROUP LAUNCHED AN INITIAL KICK-OFF MEETING JUNE 8, 2011, WITH A LARGE GROUP OF COMMUNITY STAKEHOLDERS IN ATTENDANCE THE PURPOSE OF THIS INITIAL MEETING WAS TO COMMUNICATE THIS NEW INITIATIVE WITH COMMUNITY STAKEHOLDERS AND GAUGE BOTH THE LEVEL AND AVAILABILITY TO SERVE ON THE HCP'S COMMITTEES AS A DIRECT RESULT OF THIS INITIAL MEETING, THE HCP ADVISORY COMMITTEE NOW HAS 40 ACTIVE VOLUNTEERS REPRESENTING REGIONAL HOSPITALS, HEALTH DEPARTMENT AND INSURERS, PRIVATE BUSINESSES, COMMUNITY-BASED ORGANIZATIONS, AND HEALTH CARE AND MENTAL HEALTH PROVIDERS
STAFFORD HOSPITAL, LLC	PART V, SECTION B, LINE 3 IN MAY 2011, MARY WASHINGTON HEALTHCARE (INCLUDING MARY WASHINGTON HOSPITAL AND STAFFORD HOSPITAL) AND THE RAPPAHANNOCK AREA HEALTH DISTRICT LAUNCHED THE HEALTHY COMMUNITIES PARTNERSHIP (HCP) OTHER FOUNDING MEMBERS ARE RAPPAHANNOCK UNITED WAY, KAISER PERMANENTE OF THE MID ATLANTIC STATES, AND THE RAPPAHANNOCK AREA COMMUNITY SERVICES BOARD THESE INITIAL SPONSORS AGREED THAT SUCCESS WAS DEPENDENT ON GATHERING A DIVERSE GROUP OF INDIVIDUALS TO COLLECTIVELY PROVIDE BROAD PERSPECTIVE ON THE REGION'S HEALTH CARE NEEDS THIS REGIONAL HOSPITALS, HEALTH DEPARTMENT AND INSURERS, PRIVATE BUSINESSES, COMMUNITY-BASED ORGANIZATIONS, AND HEALTH CARE AND MENTAL HEALTHON THE HCP'S COMMITTEES AS A DIRECT RESULT OF THIS INITIAL MEETING, THE HCP ADVISORY COMMITTEE NOW HAS 40 ACTIVE VOLUNTEERS REPRESENTING INITIAL MEETING WAS TO COMMUNICATE THIS NEW INITIATIVE WITH COMMUNITY STAKEHOLDERS AND GAUGE BOTH THE LEVEL AND AVAILABILITY TO SERVE GROUP LAUNCHED AN INITIAL KICK-OFF MEETING JUNE 8, 2011, WITH A LARGE GROUP OF COMMUNITY STAKEHOLDERS IN ATTENDANCE THE PURPOSE OF THIS INITIAL MEETING WAS TO COMMUNICATE THIS NEW INITIATIVE WITH COMMUNITY STAKEHOLDERS AND GAUGE BOTH THE LEVEL AND AVAILABILITY TO SERVE ON THE HCP'S COMMITTEES AS A DIRECT RESULT OF THIS INITIAL MEETING, THE HCP ADVISORY COMMITTEE NOW HAS 40 ACTIVE VOLUNTEERS REPRESENTING REGIONAL HOSPITALS, HEALTH DEPARTMENT AND INSURERS, PRIVATE BUSINESSES, COMMUNITY-BASED ORGANIZATIONS, AND HEALTH CARE AND MENTAL HEALTH PROVIDERS
MARY WASHINGTON HOSPITAL, INC	PART V, SECTION B, LINE 4 STAFFORD HOSPITAL AND SPOTSYLVANIA REGIONAL MEDICAL CENTER
STAFFORD HOSPITAL, LLC	PART V, SECTION B, LINE 4 MARY WASHINGTON HOSPITAL AND SPOTSYLVANIA REGIONAL MEDICAL CENTER
MARY WASHINGTON HOSPITAL, INC	PART V, SECTION B, LINE 5D PRESENTED AT NUMEROUS COMMUNITY MEETINGS, SUCH AS THE ROTARY MEETINGS, CHAMBER OF COMMERCE, AND THE MARY WASHINGTON HEALTHCARE CITIZEN ADVISORY COMMITTEE MEETINGS
STAFFORD HOSPITAL, LLC	PART V, SECTION B, LINE 5D PRESENTED AT NUMEROUS COMMUNITY MEETINGS, SUCH AS THE ROTARY MEETINGS, CHAMBER OF COMMERCE, AND THE MARY WASHINGTON HEALTHCARE CITIZEN ADVISORY COMMITTEE MEETINGS

Part V Facility Information *(continued)*

Section D. 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? 2

	Name and address	Type of Facility (describe)
1	FREDERICKSBURG AMBULATORY SURGERY CENTER 1201 SAM PERRY BLVD SUITE 101 FREDERICKSBURG,VA 224014490	AMBULATORY SURGERY CENTER
2	MEDICAL IMAGING OF FREDERICKSBURG 1201 SAM PERRY BLVD SUITE 102 ASC BUILD FREDERICKSBURG,VA 224014490	IMAGING SERVICES
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

Form and Line Reference	Explanation
PART I, LN 7 COL(F)	BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER PATIENT FINANCIAL ASSISTANCE POLICY (PFAP)IN DECEMBER 2011, MWHC UTILIZED THE SERVICES OF SEARCHAMERICA TO IDENTIFY PFAP ELIGIBLE PATIENTS WHOSE ACCOUNTS HAD FALLEN INTO BAD DEBT IN EARLY 2012, SEARCHAMERICA PROVIDED A LIST UTILIZING VARIOUS MARKET RESEARCH TO APPROXIMATE THE FEDERAL POVERTY LEVEL OF EACH ACCOUNT HOLDER WITH THIS INFORMATION WE WERE ABLE TO DETERMINE ACCOUNTS THAT MAY HAVE BEEN ELIGIBLE FOR FREE CARE OR DISCOUNTED CARE UNDER OUR FINANCIAL ASSISTANCE POLICY UTILIZING THE STATISTICAL ANALYSIS THAT SEARCHAMERICA PROVIDED WE HAVE EXTRAPOLATED THE DATA AND ARE ABLE TO ESTIMATE THAT ABOUT 84% OF OUR BAD DEBT IS LIKELY ATTRIBUTABLE TO PFAP ELIGIBLE PATIENTS
PART II, COMMUNITY BUILDING ACTIVITIES	IN FURTHERANCE OF ITS MISSION TO IMPROVE THE HEALTH OF THE COMMUNITY IT SERVES THE ORGANIZATION PROMOTES WORKFORCE DEVELOPMENT FOR THE RECRUITMENT OF PHYSICIANS AND OTHER HEALTH PROFESSIONALS IN AREAS IDENTIFIED AS SHORTAGE AREAS THROUGH ITS COMMUNITY NEEDS ASSESSMENTS AND MEDICAL STAFF DEVELOPMENT PLANS RECRUITMENT OF PHYSICIANS TO PRACTICE IN MWHC'S SERVICE AREA IMPROVES ACCESS TO CARE RESULTING IN GREATER AVAILABILITY OF PHYSICIAN SPECIALISTS, LESS TRAVEL TO OBTAIN CARE, AND SHORTER WAIT TIMES FOR APPOINTMENTS ADDITIONALLY MWHC, PROVIDES FACILITIES FREE OF CHARGE TO RAPPAHANNOCK EMERGENCY MEDICAL SERVICES WHICH IS VALUED AT APPROXIMATELY $100,000

Form and Line Reference	Explanation
PART III, LINE 4	THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S JUDGMENTAL ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING BUSINESS AND GENERAL ECONOMIC CONDITIONS IN ITS SERVICE AREA, TRENDS IN HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON ITS REVIEW OF ACCOUNTS RECEIVABLE PAYOR COMPOSITION AND AGING, TAKING INTO CONSIDERATION RECENT WRITE-OFF EXPERIENCE BY PAYOR CATEGORY, PAYOR AGREEMENT RATE CHANGES AND OTHER FACTORS THE RESULTS OF THESE ASSESSMENTS ARE USED TO MAKE MODIFICATIONS TO THE PROVISION FOR BAD DEBTS AND TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLE FOR SELF-PAY PATIENTS, THE PROVISION IS BASED ON AN ANALYSIS OF PAST EXPERIENCE RELATED TO COLLECTION RATE OF SELF-PAY BALANCES MWHC FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST-DUE PATIENT BALANCES WITH EXTERNAL COLLECTION AGENCIES AT DECEMBER 31, 2013 AND 2012, THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS REPRESENTED APPROXIMATELY 92% OF THE PATIENTS DUE ACCOUNTS RECEIVABLE BALANCE THE PATIENTS DUE ACCOUNTS RECEIVABLE BALANCE REPRESENTS THE ESTIMATED UNINSURED PORTION OF ACCOUNTS RECEIVABLE
PART III, LINE 8	AS A NOT-FOR-PROFIT HOSPITAL IT IS OUR MISSION TO IMPROVE THE HEALTH STATUS OF ALL PEOPLE WITHIN OUR COMMUNITY AND TO PROVIDE HEALTHCARE TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY OR THEIR INSURANCE STATUS MWHC ACCEPTS MEDICARE AND MEDICAID AND IT IS A WELL ESTABLISHED FACT THAT NOT-FOR-PROFIT FACILITIES DO NO RECOUP THE COST OF CARING FOR THOSE PATIENTS UTILIZING THESE PROGRAMS UNDER IRS GUIDELINES MEDICARE AND MEDICAID BENEFICIARIES ARE CONSIDERED TO BE MEMBERS OF A CHARITABLE CLASS, THEREFORE BY ASSISTING THESE PATIENTS AND ACCEPTING THE SHORTFALLS IN REPAYMENT, THE ORGANIZATION IS IN FACT RELIEVING GOVERNMENT BURDEN AND PROVIDING A SIGNIFICANT COMMUNITY BENEFIT TO OUR SERVICE AREA

Form and Line Reference	Explanation
PART III, LINE 9B	PATIENTS MAY APPLY FOR FINANCIAL ASSISTANCE AT ANY POINT IN THE COLLECTION CYCLE AND MODIFICATIONS OF ABILITY TO PAY MAY BE ADJUSTED SHOULD FINANCIAL OR INSURANCE STATUS CHANGE SINCE THE FIRST DAY OF CARE MWHC DOES NOT ENGAGE IN EXTRAORDINARY COLLECTION ACTIONS BEFORE THEY HAVE MADE REASONABLE EFFORTS TO DETERMINE WHETHER THE INDIVIDUAL IS ELIGIBLE FOR ASSISTANCE UNDER THIS FINANCIAL ASSISTANCE POLICY REASONABLE EFFORTS CONSTITUTE NOTIFICATION BY MWHC OF ITS FINANCIAL ASSISTANCE POLICY BY WRITTEN AND/OR ORAL COMMUNICATIONS TO ALL UNINSURED/UNDERINSURED PATIENTS AS WELL AS CONSIDERATION OF ELIGIBILITY BASED UPON THE PRESUMPTIVE ELIGIBILITY GUIDELINES DESCRIBED IN THE FINANCIAL ASSISTANCE POLICY
PART VI, LINE 2	MARY WASHINGTON HEALTHCARE AND ITS AFFILIATES (MARY WASHINGTON HOSPTIAL, MARY WASHINGTON HOSPITAL FOUNDATION, STAFFORD HOSPITAL, LLC, STAFFORD HOSPITAL FOUNDATION, MEDICORP PROPERTIES, INC , MEDICORP HEALTH SERVICES, AND MARY WASHINGTON HEALTHCARE CLINICAL SERVICES, INC) HAS AS ITS MISSION TO IMPROVE THE HEALTH OF MEMBERS OF THE COMMUNITIES IT SERVES FREDERICKSBURG, VA AND THE SURROUNDING SIX (6) COUNTIES THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THESE COMMUNITIES IN NUMEROUS WAYS INCLUDING 1) SOLICITING INPUT FROM MWHC'S CITIZEN ADVISORY COUNCIL THAT ENCOMPASS INDIVIDUAL MEMBERS AND SUBCOMMITTEES REPRESENTING EACH OF THE COUNTIES IN MWHC'S SERVICE AREA, AND 2) PERFORMING PERIODIC COMMUNITY NEEDS ASSESSMENTS FOR EACH COUNTY IN COLLABORATION WITH GOVERNMENT AGENCIES AND OTHER COMMUNITY ORGANIZATIONS

Form and Line Reference	Explanation
PART VI, LINE 3	MARY WASHINGTON HEALTHCARE AFFILIATES PROVIDE INFORMATION TO PATIENTS ABOUT ITS FINANCIAL ASSISTANCE PROGRAMS THROUGH SIGNAGE AT INTAKE AREAS, FLYERS AT ADMISSIONS, NOTICES ON BILLS AND COLLECTION STATEMENTS FINANCIAL COUNSELORS ARE ALSO AVAILABLE TO ASSIST PATIENTS IN OBTAINING FINANCIAL ASSISTANCE
PART VI, LINE 4	MARY WASHINGTON HEALTHCARE PROVIDES EXCEPTIONAL MEDICAL SERVICES TO THE CITY OF FREDERICKSBURG AND THE SURROUNDING "COMMUNITY" THAT CONSIST OF THE PRIMARY SERVICE AREA COUNTIES OF STAFFORD, KING GEORGE, SPOTSYLVANIA, WESTMORELAND, ORANGE, PRINCE WILLIAM, AND SECONDARY SERVICE AREA COUNTIES OF MANASSAS, FAUQUIER, CULPEPER, LOUISA, ESSEX, AND RICHMOND ESTABLISHED IN 1899, MARY WASHINGTON HOSPITAL (MWH), A 437 BED ACUTE CARE FACILITY, OFFERS COMPREHENSIVE HEALTHCARE AND MULTIPLE CENTERS OF EXCELLENCE INCLUDING CARDIOLOGY AND CARDIOVASCULAR SURGERY, PSYCHIATRY, AND WOMEN AND INFANT HEALTH STAFFORD HOSPITAL, LLC, A 100 BED ACUTE CARE FACILITY, ALSO OFFERS COMPREHENSIVE HEALTHCARE SERVICES BOTH MWH AND SH ARE ACCREDITED BY THE JOINT COMMISSION AND LICENSED BY THE COMMONWEALTH OF VIRGINIA DEPARTMENT OF HEALTH AND THE DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES MWH ALSO PROVIDES ADVANCE RADIATION THERAPY THROUGH THE CANCER CENTER OF VIRGINIA AND HOME HEALTH SERVICES THROUGH MARY WASHINGTON HOME HEALTH AS OF THE MOST RECENT CENSUS WITHIN THE RESPECTIVE COUNTIES THE MAJORITY OF THE GEOGRAPHIC SERVICE AREAS IN WHICH BOTH HOSPITALS SERVE ARE MADE UP OF ABOUT 4,164 5 SQUARE MILES OF SUBURBAN AND RURAL LAND COMMUNITY RESIDENTS IN THE PRIMARY SERVICE AREAS EARN A MEDIAN INCOME PER HOUSEHOLD OF $57,088/YEAR, WITH A COLLECTIVE AVERAGE OF 7 2% OF THE ENTIRE PRIMARY SERVICE AREA LIVING BELOW THE FEDERAL POVERTY GUIDELINES THE PRIMARY SERVICE AREA HAS AN ESTIMATED POPULATION OF 657,718 INDIVIDUALS AND 187,202 HOUSEHOLDS

Form and Line Reference	Explanation
PART VI, LINE 5	MARY WASHINGTON HOSPITAL, INC AND STAFFORD HOSPITAL, LLC EACH OPERATE AN EMERGENCY ROOM THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY, HAVE OPEN MEDICAL STAFFS WITH PRIVILEGES TO ALL QUALIFIED PHYSICIANS WHO APPLY, HAVE A GOVERNING BODY WITH A MAJORITY OF INDEPENDENT TRUSTEES, AND PARTICIPATE IN MEDICAID, MEDICARE AND OTHER GOVERNMENT SPONSORED HEALTH CARE PROGRAMS MARY WASHINGTON HEALTHCARE CLINICAL SERVICES, INC THROUGH ITS SUBSIDIARIES, PROVIDES ANCILLARY HEALTH SERVICES INCLUDING PHYSICIAN PRACTICES, OUTPATIENT AND AMBULATORY SURGERY, AND HOME HEALTH/HOSPICE SERVICES THE ORGANIZATION UTILIZES SURPLUS FUNDS TO EXPAND SERVICES PROVIDED TO THE COMMUNITY (IN RESPONSE TO THE COMMUNITY NEEDS ASSESSMENTS), UPGRADE FACILITIES AND EQUIPMENT TO ENHANCE CLINICAL CARE AND PHYSICIAN CONNECTIVITY TO PATIENT ELECTRONIC HEALTH RECORDS, AND HEALTH EDUCATION PROGRAMS
PART VI, LINE 6	MARY WASHINGTON HEALTHCARE AFFILIATES INCLUDE TWO (2) HOSPITALS, OTHER CLINICAL SERVICES THAT INCLUDE AN AMBULATORY SURGERY CENTER, HOSPICE/HOME HEALTH, INDEPENDENT DIAGNOSTIC TESTING FACILITIES, AND PHYSICIAN PRACTICES, TWO (2) FOUNDATIONS AND A PROPERTY DIVISION ALL ACTIVITIES OF THIS GROUP ARE COORDINATED AND OVERSEEN BY THE PARENT'S (MARY WASHINGTON HEALTHCARE) BOARD OF TRUSTEES THE AFFILIATED GROUP'S ACTIVITIES ARE CLOSELY PLANNED/INTEGRATED THROUGH INTERLOCKING BOARDS TO ENSURE THE MOST EFFECTIVE DELIVERY OF CARE EACH MEMBER OF THE AFFILIATED GROUP FOCUSES EFFORTS IN ITS PARTICULAR AREA OF RESPONSIBILITY AND IS ACCOUNTABLE TO THE PARENT'S BOARD FOR ACHIEVING ITS MISSION AND GOALS FOR THE PROVISION OF HEALTH CARE THE DIVISION OF SERVICES ABOVE ALLOWS PATIENTS TO ACCESS CARE IN THE MOST APPROPRIATE SETTING THE GOVERNANCE OVERSIGHT PROVIDED BY THE PARENT GUARANTEES OPTIMAL COORDINATION OF THE VARIOUS SEGMENTS OF CARE AND ENSURES HIGH QUALITY SERVICE AS ECONOMICALLY AS POSSIBLE

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	VA

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493303009034

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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
See Additional Data Table							

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. 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
See Additional Data Table					

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 20-1106426
Name: MARY WASHINGTON HEALTHCARE GROUP RETURN

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CENTRAL VIRGINIA HEALTH SERVICES 1506 PALMYRA AVE FREDERICKSBURG,VA 22405	54-0887287	501(C)(3)	5,000				COMMUNITY HEALTH INTERNSHIPS BUILDING THE FUTURE

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
EMPLOYMENT RESOURCES INC PO BOX 801 FREDERICKSBURG, VA 22401	54-1566468	501(C)(3)	5,000				SUMMER INTERNSHIP PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RAPPAHANOCK AREA YMCA 212 BUTLER ROAD FALMOUTH,VA 22405	54-0965826	501(C)(3)	5,000				THERAPEUTIC BRIDGE PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MENTAL HEALTH AMERICA OF FREDERICKSBURG 2217 PRINCESS ANNE ST SUITE 104-1 LADYSMITH,VA 22501	54-0678704	501(C)(3)	5,000				MENTAL HEALTH FIRST AID

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CATHOLIC CHARITIES OF THE DIOCESE OF ARLINGTON 1101 STAFFORD AVE FREDERICKSBURG, VA 22401	54-0515706		5,000				FAMILY SERVICES FREDERICKSBURG

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CAROLINE CHRISTIAN HEALTH CENTER PO BOX 216 LADYSMITH,VA 22501	20-8446785	501(C)(3)	22,000				MISSION 2540

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
CENTRAL VIRGINIA HEALTH SERVICES 1506 PALMYRA AVE FREDERICKSBURG, VA 23227	54-0887287	501(C)(3)	60,000				CHCRR PRIMARY CARE

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
THE DISABILITY RESOURCE CENTER OF THE RAPPAHANNOCK AREA INC 409 PROGRESS ST FREDERICKSBURG, VA 22401	54-1687677	501(C)(3)	12,500				EQUIPMENT CONNECTION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FREDERICKSBURG CHRISTIAN HEALTH CENTER 1129 HEATHERSTONE DR FREDERICKSBURG,VA 22407	54-2061482	501(C)(3)	130,000				INDIGENT PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FREDERICKSBURG REGIONAL TRANSIT 1400 JEFFERSON DAVIS HIGHWAY KILMARNOCK,VA 22401	54-6001293		55,000				TRANSPORTATION ASSISTANCE FOR INDIGENT PATIENTS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HOSPICE SUPPORT CARE INC 1701 FALL HILL AVE STE 109 FREDERICKSBURG, VA 22401	52-1203673	501(C)(3)	35,000				HOSPICE SUPPORT CARE

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MICAH ECUMENICAL MINISTRIES INC PO BOX 3277 RICHMOND,VA 22402	20-4044884	501(C)(3)	130,000				RESIDENTIAL RECOVERY PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RAPPAHANNOCK AREA HEALTH DISTRICT 608 JACKSON ST FREDERICKSBURG, VA 22401	54-6001775		70,000				COMPLICATED OBSTETRICAL AND HIGH RISK MATERNITY CARE PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RX DRUG ACCESS PARTNERSHIP 2924 EMERYWOOD PARKWAY 300 COLONIAL BEACH,VA 23294	57-1186937	501(C)(3)	20,000		501(C)(3)		RXP

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FREDERICKSBURG COUNSELING SERVICES INC 305 HANSON AVE 140 FREDERICKSBURG, VA 22401	54-0844464	501(C)(3)	26,000				COUNSELING SERVICES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FREDERICKSBURG DEPARTMENT OF SOCIAL SERVICES 608 JACKSON ST SUITE 100 COLONIAL BEACH,VA 22401	54-6001293		29,670				COMMUNITY BASED ELIGIBILITY WORKER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
GEORGE WASHINGTON REGIONAL COMMISSION 406 PRINCESS ANNE ST FREDERICKSBURG,VA 22401	54-0715969		20,000				LOCAL FOOD ACCESS, DISEASE PREVENTION, HEALTHY NUTRITION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
GUADALUPE FREE CLINIC OF COLONIAL BEACH INC PO BOX 275 COLONIAL BEACH,VA 22443	51-0635977	501(C)(3)	55,000				FREE CLINIC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HAZEL HILL APT CORPORATION 223 BUTLER RD FALMOUTH,VA 22405	54-0859802	501(C)(3)	12,000				HAZEL HILL HEALTHCARE PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
NORTHERN NECK ALLIANCE INC PO BOX 40 COLONIAL BEACH,VA 22443	54-1678053	501(C)(3)	9,000				NORTHERN NECK HEAD START

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RAPPAHANNOCK AREA HEALTH DISTRICT 608 JACKSON ST FREDERICKSBURG, VA 22401	54-6001775		43,950				EVERY WOMAN'S LIFE PROGRAM, PORTABLE ULTRASOUND MACHINE

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNIVERSITY OF MARY WASHINGTON 1301 COLLEGE AVE FREDERICKSBURG, VA 22401	54-6001757		25,000				BACHELOR OF SCIENCE IN NURSING COMPLETION

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ACTION IN COMMUNITY THROUGH SERVICE OF PRINCE WILLIAM (ACTS) PO BOX 74 DUMFRIES,VA 22026	54-0897679	501(C)(3)	20,000				ACTS HELPLINE ASSISTANCE AND OUTREACH PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
STAFFORD SCHOOLS HEAD STARTVPIEARLY HEAD START 610 GAYLE ST FREDERICKSBURG,VA 22405	54-6001628		36,875				CHILDREN'S INSURANCE OUTREACH AND ELIGIBILITY PROJECT

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
RAPPAHANNOCK AREA AGENCY ON AGING 171 WARRENTON RD FREDERICKSBURG, VA 22405	54-1027651	501(C)(3)	23,000				CARE OPTIONS MAKE FOR PREFERRED SOLUTIONS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
STAFFORD COUNTY DEPARTMENT OF SOCIAL SERVICES PO BOX 7 FREDERICKSBURG, VA 22405	54-6001626		21,750				STAFFORD'S HEALTH INSURANCE ENROLLMENT (SHINE) PROGRAM

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
STAFFORD JUNCTION INC 400 CHATHAM SQUARE OFFICE PARK FREDERICKSBURG, VA 22405	20-3036072	501(C)(3)	23,000				HEALTHY LIVING PAYS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
FREDERICKSBURG AREA REGIONAL HEALTH COUNCIL AKA-LLOYD F MOSS FREE CLINIC 1301 SAM PERRY BLVD FREDERICKSBURG, VA 22401	54-1677934	501(C)(3)	820,000				FREE HEALTH CLINIC

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(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
ANNE GRAZIANI BROADDUS NURSING SCHOLARSHIP	1	1,500			
APRIL JETT WILLS MEMORIAL NURSING SCHOLARSHIP	1	1,000			
BARBARA KANE NURSING SCHOLARSHIP	1	750			
CAITLIN MORRIS NURSING ONCOLOGY SCHOLARSHIP DONATED BY THE D E B FOUNDATION	1	1,000			
CHARLES M "PETE" HEARN FELLOWSHIP	1	1,500			
CORA GRAVES ALLISON NURSING SCHOLARSHIP	1	1,000			
ELEANOR HEYCOCK PETTIT NURSING SCHOLARSHIP	1	3,000			
ELIZABETH BRUNELLE RYAN AND CATHERINE RYAN LEGATH SCHOLARSHIP	1	1,500			
FREDERICKSBURG EMERGENCY MEDICAL ALLIANCE SCHOLARSHIP	3	2,250			
HAROLD AND FRANCES SCHILZ NURSING SCHOLARSHIP	1	1,500			
HEWETSON NURSING SCHOLARSHIP	1	2,500			
IDA RICHARDSON JENKINS MEMORIAL SCHOLARSHIP	1	1,000			
JANICE HUNT SCHOLARSHIP	2	8,000			
JEAN C WILLIAMS MEMORIAL NURSING SCHOLARSHIP	1	750			
JEANE BULLOCK NURSING SCHOLARSHIP	1	3,000			

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(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
JENNIE MAE BENSON NURSING SCHOLARSHIP	1	1,500			
JOHN PAINTER SCHOLARSHIP	1	2,000			
LAURA LEIGH LUMPKIN MEMORIAL SCHOLARSHIP	1	1,500			
LIBBY PEARSON ENDOWED NURSING SCHOLARSHIP	1	1,000			
LINDA WITMER NURSING SCHOLARSHIP	1	2,000			
MARIE LACY ROLLINS SCHOLARSHIP	1	2,000			
MARY FRANCES WILLIS & JAMES G WILLIS MEMORIAL SCHOLARSHIP	2	5,000			
MARY WASHINGTON HOSPITAL AUXILIARY SCHOLARSHIP	2	2,000			
REBECCA BENNETT NURSING SCHOLARSHIP	1	1,500			
SAL KIWALL MEMORIAL SCHOLARSHIP FOR CLINICAL EDUCATION	1	2,000			
STAFFORD HOSPITAL AUXILIARY SCHOLARSHIP	2	2,000			
SUE HALL NURSING SCHOLARSHIP	2	6,000			
THE VICKIE GRAVES PITTMAN GERMANNA NURSING SCHOLARSHIP	1	1,000			
WILLIAM AND VIOLA ADRIAN NURSING SCHOLARSHIP	2	4,000			
WILLIAM F JACOBS, JR SCHOLARSHIP IN HEALTHCARE ADMINISTRATION	2	4,000			

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☑ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement 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 directors, trustees, officers, including 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			
	☑ Compensation committee	☑ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in 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

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

Return Reference	Explanation
PART I, LINE 1A	PART I, LINE 1A - TRUSTEES WHO ARE UNCOMPENSATED VOLUNTEERS TRAVELING FOR BUSINESS RELATED REASONS ON BEHALF OF THE ORGANIZATION ARE REIMBURSED FOR THE COST OF SPOUSAL TRAVEL REIMBURSEMENTS PAID FOR SPOUSAL TRAVEL ARE REIMBURSED AND REPORTED AS INCOME ON A FORM 1099 IN THE YEAR PAID EXECUTIVES WHO ARE TRAVELING FOR BUSINESS RELATED REASONS ON BEHALF OF THE ORGANIZATION ARE REIMBURSED FOR THE COST OF SPOUSAL MEALS PROVIDED AND THE AMOUNT IS REPORTED AS INCOME ON THE EXECUTIVE'S W-2
PART I, LINE 7	PART I, LINE 7 - ALL EXECUTIVES HAVE AS A PART OF THEIR COMPENSATION A VARIABLE COMPONENT SUCH THAT THEY ARE ELIGIBLE TO RECEIVE A PERCENTAGE OF THEIR BASE PAY AS AN INCENTIVE FOR THE ACHIEVEMENT OF INDIVIDUAL AND CORPORATE GOALS AND OBJECTIVES THERE WAS NO INCENTIVE COMPENSATION PAID IN 2013
SCHEDULE J - PART I	TRUSTEES WHO ARE UNCOMPENSATED VOLUNTEERS TRAVELING FOR BUSINESS RELATED REASONS ON BEHALF OF THE ORGANIZATION ARE REIMBURSED FOR THE COST OF SPOUSAL TRAVEL REIMBURSEMENTS PAID FOR SPOUSAL TRAVEL ARE REIMBURSED AND REPORTED AS INCOME ON A FORM 1099 IN THE YEAR PAID EXECUTIVES WHO ARE TRAVELING FOR BUSINESS RELATED REASONS ON BEHALF OF THE ORGANIZATION ARE REIMBURSED FOR THE COST OF SPOUSAL MEALS PROVIDED AND THE AMOUNT IS REPORTED AS INCOME ON THE EXECUTIVE'S W-2
SCHEDULE J, PART II, COLUMN B	DISCLOSURE PRIMARILY REPRESENTS 457(F) DISTRIBUTIONS

Additional Data

Software ID:
Software Version:
EIN: 20-1106426
Name: MARY WASHINGTON HEALTHCARE GROUP RETURN

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				
FRED M RANKIN III PRESIDENT	(I) (II)	0 584,506	0 0	0 90,450	0 7,650	0 21,269	0 703,875	0 0
SEAN T BARDEN EXECUTIVE VP	(I) (II)	0 346,447	0 0	0 36,355	0 7,650	0 26,387	0 416,839	0 0
WALTER J KIWALL EXECUTIVE VP	(I) (II)	0 349,932	0 0	0 48,357	0 7,650	0 19,120	0 425,059	0 0
XAVIER R RICHARDSON EXECUTIVE VP	(I) (II)	0 210,454	0 10,000	0 259,900	0 6,557	0 16,908	0 503,819	0 226,594
J THOMAS RYAN MD EXECUTIVE VP	(I) (II)	0 200,618	0 0	0 52,194	0 5,345	0 7,952	0 266,109	0 0
RAVI MATHUR VICE PRESIDENT	(I) (II)	0 174,196	0 0	0 17,120	0 5,377	0 17,171	0 213,864	0 0
CHERYL SPRINGHORN EXECUTIVE DIRECTOR	(I) (II)	0 142,843	0 0	0 194	0 3,577	0 7,529	0 154,143	0 0
KATHRYN S WALL EXECUTIVE VP	(I) (II)	0 228,929	0 0	0 33,274	0 7,303	0 10,367	0 279,873	0 0
MARIANNA BEDWAY SENIOR VP	(I) (II)	216,584 0	0 0	19,147 0	6,917 0	24,565 0	267,213 0	0 0
ERIC FLETCHER SENIOR VP	(I) (II)	0 200,773	0 0	0 18,404	0 2,164	0 9,507	0 230,848	0 0
WINIFRED J HAIKEY SENIOR VP	(I) (II)	0 181,740	0 0	0 35,613	0 5,814	0 16,059	0 239,226	0 0
JOYCE HANSCOME SENIOR VP	(I) (II)	0 209,062	0 10,000	0 19,465	0 6,725	0 17,695	0 262,947	0 0
JAMES K VAN RENAN SENIOR VP	(I) (II)	280,793 0	0 0	29,790 0	7,650 0	22,461 0	340,694 0	0 0
CATHLEEN A YABLONSKI SENIOR VP	(I) (II)	189,426 0	0 0	18,055 0	2,043 0	25,750 0	235,274 0	0 0
REBECCA BIGONEY MD EXECUTIVE VP	(I) (II)	302,163 0	0 0	22,654 0	7,650 0	16,594 0	349,061 0	0 0
KATHLEEN BOURGAULT VICE PRESIDENT	(I) (II)	0 173,182	0 15,000	0 14,740	0 5,494	0 17,477	0 225,893	0 0
EILEEN L DOHMANN RN VICE PRESIDENT	(I) (II)	0 196,333	0 0	0 15,557	0 6,083	0 3,815	0 221,788	0 0
MARIE FREDRICK VICE PRESIDENT	(I) (II)	0 181,137	0 0	0 17,244	0 5,982	0 19,197	0 223,560	0 0
JAMES SWISHER VICE PRESIDENT	(I) (II)	0 158,712	0 0	0 13,049	0 4,942	0 8,368	0 185,071	0 0
GLEN J POFFENBARGER MD NEUROSURGEON	(I) (II)	1,034,186 0	101,682 0	2,622 0	7,650 0	32,610 0	1,178,750 0	0 0

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				
JT SHERWOOD MD THORACIC SURGEON	(I) (II)	749,886 0	39,497 0	1,058 0	7,650 0	32,910 0	831,001 0	0 0
CHRISTOS HATJIS MD PERINATOLOGISTS	(I) (II)	613,664 0	21,690 0	1,980 0	7,650 0	23,617 0	668,601 0	0 0
MAURICE EGGLESTON JR MD PERINATOLOGISTS	(I) (II)	530,429 0	0 0	29,658 0	7,650 0	29,856 0	597,593 0	0 0
THERESA A CONOLOGUE MD DERMATOLOGIST	(I) (II)	581,394 0	136,500 0	300 0	6,435 0	24,775 0	749,404 0	0 0
LAWRENCE ROBERTS MD TRUSTEE (FORMER)	(I) (II)	370,910 0	40,000 0	105,954 0	7,650 0	25,795 0	550,309 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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	ECONOMIC DEVELOPMENT AUTHORITY	54-1244413	852431AQ8	12-01-2006	125,000,000	BUILD STAFFORD HOSPITAL FACILITY		X		X		X
B	LYNCHBURG IDA-VHA POOLED FINANCING			12-28-2007	14,000,000	ACQUISITION OF MWH EQUIPMENT		X		X		X
C	CITY OF FREDERICKSBURG ECONOMIC DEV AUTH	52-1303430	355849AS9	05-10-2007	81,860,000	REFUNDING OF 1996 MWH BONDS		X		X		X
D	CITY OF FREDERICKSBURG ECONOMIC DEV AUTH	52-1303430		07-12-2011	30,000,000	BUILD AND EQUIP CANCER CENTER		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	132,581,641	14,000,000	86,868,312	30,210,000
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	959,500	126,000	583,010	210,000
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	131,622,141	13,874,000	86,285,302	30,000,000
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2008	2007	2007	2011

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

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
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?	X		X		X			
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?	X				X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 390 %		0 390 %				
6	Total of lines 4 and 5		0 390 %		0 390 %				
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		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X	X	
b	Exception to rebate?		X	X		X			X
c	No rebate due?	X			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	X	
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the 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		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		X
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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?	X		X		X		X	

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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	ECONOMIC DEVELOPMENT AUTHORITY	52-1303430	355850AC2	11-01-2013	30,405,000	REFUNDING OF SERIES 2011 BOND		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	30,405,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	576,747			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	29,828,253			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2013			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X							
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?	X							
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Does the bond issue meet the private security or payment test?	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						
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							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?	X							
b	Exception to rebate?		X						
c	No rebate due?		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							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the 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						
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						
7	Has the organization established written procedures to monitor the requirements of section 148?	X							

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

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

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

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total ▶ $												

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) STAFFORD MEDICAL OFFICE	MANAGEMENT CONTRACT	1,555,573	RENTAL, MEDICAL OFFICE		No
(2) HEALTH TECH RESOURCES	5% TRUSTEE OWNERSHIP	724,244	RENTAL		No
(3) PERMA TREAT PEST CONTROL INC	BOARD MEMBER OWNS CO	57,589	PEST CONTROL SERVICES		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.
▶Information about Schedule M (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		12,332	FMV
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (GIFT CARDS AN)	X	55	20,114	FMV
26 Other ▶ (ADVERTISING B)	X	1	500	FMV
27 Other ▶(_____)				
28 Other ▶ (_____)				

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

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

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
PART I, LINE 32B	THE GROUP HAS A POLICY REQUIRING REVIEW AND BOARD APPROVAL OF ALL NON-STANDARD CONTRIBUTIONS

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

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Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

Return Reference	Explanation
FORM 990, PART V, Q 7G AND 7H	QUESTIONS 7G AND 7H DO NOT APPLY TO THE ORGANIZATION BECAUSE THE ORGANIZATION DID NOT HAVE CONTRIBUTIONS OF QUALIFIED INTELLECTUAL PROPERTY OR CONTRIBUTIONS OF CARS, BOATS, AIRPLANES OR OTHER VEHICLES DURING THE YEAR

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	MEMBERS OF THE MARY WASHINGTON HEALTHCARE GROUP ALL HAVE ONE SOLE MEMBER, ITS PARENT MARY WASHINGTON HEALTHCARE (MWHC)

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	MARY WASHINTON HEALTHCARE (MWHC) HAS THE POWER TO APPOINT BOARD OF TRUSTEES FOR THE GROUP

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	MEMBERS OF THE MARY WASHINGTON HEALTHCARE GROUP ALL HAVE ONE SOLE MEMBER, ITS PARENT MARY WASHINGTON HEALTHCARE (MWHC) MWHC HAS RESERVED CERTAIN POWERS TO ITSELF WITHIN EACH OF ITS SUBSIDIARIES' ORGANIZING DOCUMENTS THESE RESTRICTIONS INCLUDE AMENDING THE GOVERNING DOCUMENTS, BUDGETING, EXPENDITURES OVER CERTAIN THRESHOLDS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	MANAGEMENT COMPLETES A DRAFT OF THE FORM 990 FOR THE MARY WASHINGTON HEALTHCARE GROUP AT THAT TIME THE RETURN IS SUBMITTED TO THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD FOR REVIEW AND ACCEPTANCE. THE FORM 990 IS ALSO MADE AVAILABLE TO THE BOARD OF TRUSTEES THROUGH THE BOARD WEBSITE FOR FURTHER REVIEW

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	EVERY TRUSTEE, AND EXECUTIVE MEMBER OF MANAGEMENT IS REQUIRED TO DISCLOSE ANY AND ALL POSSIBLE CONFLICTS OF INTERESTS THE DISCLOSURES ARE MADE ANNUALLY AND SUBMITTED TO THE MWHC CHIEF AUDIT EXECUTIVE (CAE) THE CAE THEN PRESENTS ALL CONFLICTS TO THE AUDIT AND COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES THE CHAIRMAN OF THE AUDIT AND COMPLIANCE COMMITTEE REPORTS ALL CONFLICTS TO THE FULL BOARD CONFLICTS ARE CONTINUALLY AND ACTIVELY MANAGED AT EACH MEETING, THE CHARI ASKS IF ANYONE AT THE MEETING HAS A CONFLICT TO DISCLOSE INDIVIDUALS WITH CONFLICTS DISCLOSE THEIR CONFLICTS AND THE RELATED TOPIC THE INDIVIDUAL THEN RECUSES HIM/HERSELF FROM ANY DECISION RELATED TO THAT TOPIC THE CONFLICT OF INTERESTS POLICY IS REVIEWED ANNUALLY BY THE BOARD OF TRUSTEES

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	MARY WASHINGTON HEALTHCARE UTILIZES AN EXECUTIVE COMPENSATION COMMITTEE WITH THE PURPOSE AND AUTHORITY TO ESTABLISH PROCESSES TO ENSURE FAIR AND COMMERCIALLY REASONABLE COMPENSATION FOR THE CEO AND EXECUTIVE LEADERSHIP IN ORDER TO ENSURE COMPENSATION PAID IS SET AT FAIR MARKET VALUE, THE EXECUTIVE COMPENSATION COMMITTEE UTILIZES COMPENSATION SURVEY DATA, FORM 990 INFORMATION FROM COMPARABLE HEALTH SYSTEMS, AND THE SERVICES OF AN INDEPENDENT COMPENSATION CONSULTANT SUCH INDEPENDENT THIRD PARTY DATA POINT PROVIDES ASSURANCE THAT EXECUTIVE COMPENSATION IS COMMERCIALLY REASONABLE AND AT A FAIR MARKET VALUE.

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	THE AUDITED FINANCIALS STATEMENTS ARE POSTED ON THE MARY WASHINGTON HEALTHCARE WEBSITE FOR PUBLIC VIEW

Return Reference	Explanation
FORM 990, PART IX, LINE 11G	CONTRACT PERSONNEL PROGRAM SERVICE EXPENSES 6,020,918 MANAGEMENT AND GENERAL EXPENSES 165,838 FUNDRAISING EXPENSES 1,238 TOTAL EXPENSES 6,187,994 CONSULTING SERVICES PROGRAM SERVICE EXPENSES 43,892,039 MANAGEMENT AND GENERAL EXPENSES 1,208,948 FUNDRAISING EXPENSES 9,022 TOTAL EXPENSES 45,110,009 BILLING AND COLLECTION SERVICES PROGRAM SERVICE EXPENSES 2,148,854 MANAGEMENT AND GENERAL EXPENSES 59,187 FUNDRAISING EXPENSES 442 TOTAL EXPENSES 2,208,483 ASP SERVICES PROGRAM SERVICE EXPENSES 164,067 MANAGEMENT AND GENERAL EXPENSES 4,519 FUNDRAISING EXPENSES 34 TOTAL EXPENSES 168,620 MISCELLANEOUS SERVICES PROGRAM SERVICE EXPENSES 5,046,940 MANAGEMENT AND GENERAL EXPENSES 139,011 FUNDRAISING EXPENSES 1,037 TOTAL EXPENSES 5,186,988 STORAGE PROGRAM SERVICE EXPENSES 123,183 MANAGEMENT AND GENERAL EXPENSES 3,393 FUNDRAISING EXPENSES 25 TOTAL EXPENSES 126,601 WASTE DISPOSAL PROGRAM SERVICE EXPENSES 977,863 MANAGEMENT AND GENERAL EXPENSES 26,934 FUNDRAISING EXPENSES 201 TOTAL EXPENSES 1,004,998 MANAGEMENT CONTRACTS PROGRAM SERVICE EXPENSES 14,554,722 MANAGEMENT AND GENERAL EXPENSES 400,891 FUNDRAISING EXPENSES 2,992 TOTAL EXPENSES 14,958,605

Return Reference	Explanation
FORM 990, PART XI, LINE 9	RELIEF FROM AFFILIATE LOANS -14,209,786 LOSS ON UNCOLLECTED PLEDGES -1,046,020 LOSS FROM RELATED AFFILIATES 8,076,070

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE GROUP RETURN IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF MWHC CONSISTENT WITH PRIOR YEARS RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT AND SELECTION OF AUDITORS RESTS WITH THE AUDIT & COMPLIANCE COMMITTEE OF THE BOARD OF TRUSTEES

Return Reference	Explanation
FORM 990, PART V, Q2A	NO ENTITY WITHIN THE GROUP FILES W-2S WITH THE IRS ALL PAYROLL IS PAID THROUGH AN AGENCY AGREEMENT WITH MARY WASHINGTON HEALTCARE, THE PARENT ORGANIZATION MARY WASHINGTON HEALTHCARE FILES ALL W-2S

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
MARY WASHINGTON HEALTHCARE GROUP RETURN

Employer identification number
20-1106426

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on 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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) STAFFORD HOSPITAL AUXILIARY 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 26-2704632	MEDICAL SERVICES	VA	501(C)(3)	LINE 11C, III-FI	MWHC		No
(2) MARY WASHINGTON HOSPITAL AUXILIARY 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 75-2985923	MEDICAL SERVICES	VA	501(C)(3)	LINE 11C, III-FI	MWHC		No
(3) MWH AND UVA RADIOSURGERY CENTER LLC 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 90-0604539	MEDICAL SERVICES	VA	501(C)(3)	LINE 11A, I	MWHC		No
(4) MARY WASHINGTON HEALTHCARE 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 54-1240646	MEDICAL SERVICES	VA	501(C)(3)	LINE 11B, II	MWHC		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity? Yes	(i) No
(1) MWHC HOLDING COMPANY INC 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 54-1725487	HOLDING COMPANY	VA	MWHC CLINICAL SERVICES INC	C	299,346	254,480	100 000 %		No
(2) MARY WASHINGTON HEALTHCARE SERVICES 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 54-1244509	RETAIL MEDICAL	VA	MWHC CLINICAL SERVICES INC	C	-216,725	1,970,237	100 000 %		No
(3) FREDERICKSBURG PROFESSIONAL RISK EXCHANGE 2300 FALL HILL AVE SUITE 509 FREDERICKSBURG, VA 22401 53-1095956	CAPTIVE INSURANCE	VA	MWHC	C	1,494,492	11,418,072	97 500 %		No

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 20-1106426
Name: MARY WASHINGTON HEALTHCARE GROUP RETURN

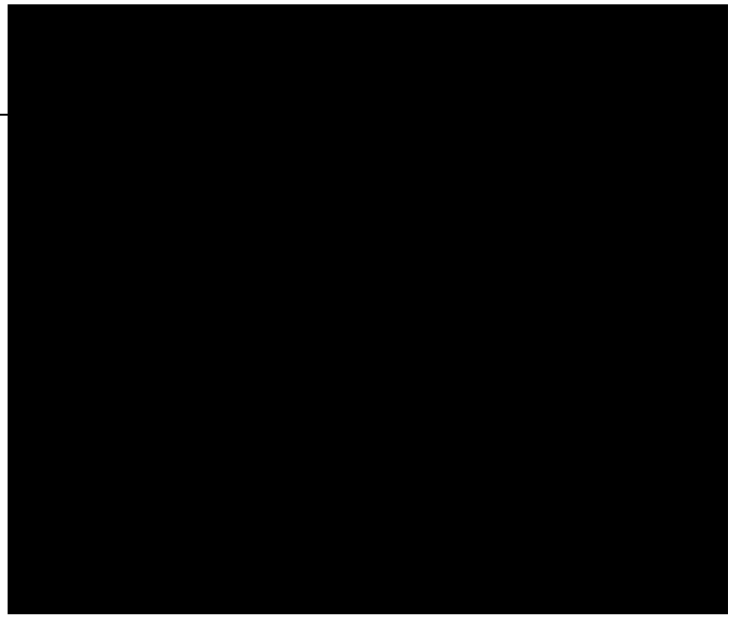
Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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) Disproprtionate allocations?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
TOMPKINS MARTIN MEDICAL PLAZA 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 54-1632021	REAL ESTATE	VA	MEDICORP PROPERTIES INC	RELATED	814,279	5,948,467		No		Yes		99 000 %
FREDERICKSBURG AMBULATORY SURGERY CENTER 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 56-2322548	SURGERY CTR	VA	MWHC CLINICAL SERVICES INC	RELATED	2,439,497	1,540,351		No		Yes		53 370 %
MEDICAL IMAGING OF FREDERICKSBURG 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 54-1364028	IMAGING	VA	MWHC CLINICAL SERVICES INC	RELATED	3,745,585	1,831,660		No		Yes		51 000 %
MARY WASHINGTON EYE CARE CENTER 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 27-1248032	OPTOMETRY	VA	MWHC CLINICAL SERVICES INC	RELATED	-142,876	-1,042,819		No			No	99 000 %
CENTRAL ATLANTIC HEALTH NETWORK 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 27-4704694	GROUP PURCHASING	VA		RELATED			Yes				No	11 110 %
MARY WASHINGTON HEALTH ALLIANCE 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 46-3055639	ADMINISTRATIVE SERVICES	VA	MARY WASHINGTON HEALTHCARE	RELATED		1,207,175		No		Yes		82 750 %
COWAN INVESTMENT PARTNERS LLC 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 65-1294835	REAL ESTATE	VA	MEDICORP PROPERTIES INC	RELATED	-25,400	67,755		No			No	12 500 %
BUNKER HILL PARTNERS LLC 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 51-0584884	REAL ESTATE	VA	MEDICORP PROPERTIES INC	RELATED	20,074	-268,743		No			No	20 000 %
STAFFORD MEDICAL OFFICE PAVILION LLC 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 26-2981929	REAL ESTATE	VA	MEDICORP PROPERTIES INC	RELATED	134,658	2,142,350		No			No	20 000 %
SPOTSYLVANIA PARKWAY MEDICAL PLAZA LLC 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 26-2656396	REAL ESTATE	VA	MEDICORP PROPERTIES INC	RELATED	102,381	-740,049		No			No	39 500 %
SPOTSYLVANIA PARKWAY MEDICAL PLAZA II LLC 2300 FALL HILL AVE STE 509 FREDERICKSBURG, VA 22401 45-4281946	REAL ESTATE	VA	MEDICORP PROPERTIES INC	RELATED	-10,343	916,877		No			No	39 500 %

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
TOMPKINS MARTIN MEDICAL PLAZA	K	1,768,591	IND APPRAISAL
FREDERICKSBURG AMBULATORY SURGERY CENTER	J	2,353,172	IND APPRAISAL
MEDICAL IMAGING OF FREDERICKSBURG	J	523,047	IND APPRAISAL
MARY WASHINGTON EYE CARE CENTER	J	196,302	IND APPRAISAL
MARY WASHINGTON HEALTHCARE SERVICES INC	J	976,856	IND APPRAISAL
MARY WASHINGTON HOSPITAL AUXILIARY	C	126,100	
MARY WASHINGTON HEALTHCARE	M	61,810,450	
MWH AND UVA RADIOSURGERY CENTER LLC	D	189,261	YEAR END PRINCIPLE
MWH AND UVA RADIOSURGERY CENTER LLC	J	225,044	ACTUAL
MWH AND UVA RADIOSURGERY CENTER LLC	S	281,093	ACTUAL

COHEN
RUTHERFORD
+ KNIGHT PC
Certified Public Accountants



Mary Washington Healthcare and Subsidiaries

Consolidated Financial Statements and Other Financial Information

December 31, 2013 and 2012

Contents

COHEN
RUTHERFORD
+ KNIGHT PC
Certified Public Accountants

Report of Independent Auditors

Board of Trustees
Mary Washington Healthcare and Subsidiaries

We have audited the accompanying consolidated balance sheets of Mary Washington Healthcare and Subsidiaries (MWHC) as of December 31, 2013 and 2012, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements

CR+K

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mary Washington Healthcare and Subsidiaries as of December 31, 2013 and 2012, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Cohen, Rutherford + Knight, P.C.

April 7, 2014
Bethesda, Maryland

Mary Washington Healthcare and Subsidiaries

Consolidated Balance Sheets

	December 31	
	2013	**2012**
Assets		
Current assets		
Cash and cash equivalents	**$ 42,878,889**	$ 61,685,639
Accounts receivable		
Patient accounts receivable, less allowance for uncollectible accounts of $38,558,633 in 2013 and $41,818,838 in 2012 *(Note 10)*	**70,042,633**	80,259,722
Settlements due from third parties	**13,146,096**	14,208,302
Other	**2,615,545**	4,557,240
	85,804,274	99,025,264
Notes receivable	**26,280**	486,850
Inventories	**10,760,790**	9,906,916
Prepaid expenses and other	**7,125,852**	5,852,505
Total current assets	**146,596,085**	176,957,174
Assets whose use is limited *(Note 2)*		
Internally designated for healthcare programs and capital acquisitions	**148,022,108**	111,286,288
Internally restricted for malpractice claims	**11,023,951**	10,760,729
Externally restricted by donors	**17,545,906**	18,477,694
Externally restricted under bond indenture agreement (held by trustees)	**6,286,409**	6,286,683
	182,878,374	146,811,394
Property, plant and equipment, less accumulated depreciation and amortization *(Note 4)*	**315,696,550**	328,785,638
Other assets		
Notes receivable	**2,216,210**	3,506,116
Deferred financing costs, less accumulated amortization of $617,027 in 2013 and $610,957 in 2012	**1,809,442**	1,514,231
Miscellaneous	**3,747,809**	3,862,189
	7,773,461	8,882,536
Total assets	**$ 652,944,470**	$ 661,436,742

Mary Washington Healthcare and Subsidiaries

Consolidated Balance Sheets - continued

	December 31	
	2013	**2012**
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	**$ 33,303,038**	$ 34,273,861
Employee compensation and professional fees	**34,665,673**	31,721,840
Interest payable	**541,083**	601,241
Current maturities of long-term obligations *(Notes 5 and 9)*	**8,241,428**	9,616,243
Total current liabilities	**76,751,222**	76,213,185
Long-term obligations, less current maturities *(Notes 5 and 9)*	**282,360,903**	289,806,926
Other liabilities		
Accrued losses on malpractice claims *(Note 7)*	**15,544,734**	15,742,879
Pension liability *(Note 6)*	**30,371,075**	60,848,910
Other	**39,486**	40,591
	45,955,295	76,632,380
Total liabilities	**405,067,420**	442,652,491
Commitments and Contingencies (*Note 11*)		
Net assets		
Unrestricted - General	**223,643,389**	194,821,774
Unrestricted - Noncontrolling interest	**6,687,756**	5,484,784
Temporarily restricted *(Note 3)*	**16,287,695**	17,219,483
Permanently restricted *(Note 3)*	**1,258,210**	1,258,210
	247,877,050	218,784,251
Total liabilities and net assets	**$ 652,944,470**	$ 661,436,742

See accompanying notes

Mary Washington Healthcare and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year ended December 31	
	2013	**2012**
Unrestricted net assets		
Revenues and other support		
Net patient service revenue		
Patient service revenue (net of contractual allowances and discounts)	**$ 616,329,888**	$ 554,866,509
Provision for bad debts	**(55,328,623)**	(12,196,940)
	561,001,265	542,669,569
Retail and pharmacy sales	**7,040,154**	6,765,064
Rental of facilities	**2,799,038**	2,408,728
Management and personnel services	**3,855,621**	4,674,640
Investment income *(Note 2)*	**3,448,338**	3,816,953
Unrestricted contributions	**651,216**	921,402
Other	**13,755,875**	12,069,031
	592,551,507	573,325,387
Expenses *(Note 8)*		
Salaries and wages	**244,448,282**	243,288,881
Employee benefits *(Note 6)*	**53,417,767**	55,692,371
Contract personnel	**6,560,499**	6,827,568
Professional fees	**54,101,556**	44,515,906
General and administrative	**16,013,641**	14,646,110
Provisions for depreciation and amortization	**37,688,151**	39,700,730
Interest *(Note 5)*	**13,397,653**	13,846,221
Cost of retail goods sold	**5,586,786**	5,611,688
Contract services	**39,936,104**	40,648,290
Supplies	**101,486,265**	102,506,353
Utilities	**5,621,846**	5,564,906
Insurance *(Note 7)*	**3,909,939**	3,515,561
Rent	**14,382,757**	14,427,079
Other	**4,177,333**	3,728,692
	600,728,579	594,520,356
Loss from operations	**(8,177,072)**	(21,194,969)
Nonoperating gains		
Net appreciation of investments *(Note 2)*	**9,514,687**	8,889,199
Gain on disposal of fixed assets	**144,360**	140,482
Gain on investments in partnerships and other	**43,008**	47,797
Excess (deficit) of revenues, gains and other support over expenses and losses before noncontrolling interest	**$ 1,524,983**	$ (12,117,491)

(continued)

Mary Washington Healthcare and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets – continued

	Year ended December 31	
	2013	**2012**
Unrestricted net assets		
Excess (deficit) of revenues, gains and other support over expenses and losses	**$ 1,524,983**	$ (12,117,491)
Other changes in unrestricted net assets		
Noncontrolling interest	**(6,042,534)**	(5,543,938)
Adjustments to net pension liability exclusive of net periodic pension cost *(Note 6)*	**33,348,688**	(6,931,357)
Other	**(9,522)**	(1,884,654)
Increase (decrease) in unrestricted net assets	**28,821,615**	(26,477,440)
Noncontrolling interest		
Contributions	**739,509**	-
Distributions	**(5,762,339)**	(6,328,380)
Change in ownership	**183,268**	244,807
Income	**6,042,534**	5,543,938
Increase (decrease) in noncontrolling interest	**1,202,972**	(539,635)
Temporarily restricted net assets		
Contributions	**628,142**	657,630
Investment income *(Note 2)*	**1,419,311**	304,494
Net assets released from restrictions used in operations	**(2,716,278)**	(85,766)
Net assets released from restrictions for purchase of property, plant and equipment	**(13,986)**	(13,250)
Unrealized gain (loss) on investments *(Note 2)*	**(135,645)**	1,019,239
Other	**(113,331)**	(737,270)
Increase (decrease) in temporarily restricted net assets	**(931,788)**	1,145,077
Increase (decrease) in net assets	**29,092,799**	(25,871,998)
Net assets at beginning of year	**218,784,251**	244,656,249
Net assets at end of year	**$ 247,877,050**	$ 218,784,251

See accompanying notes

Mary Washington Healthcare and Subsidiaries

Consolidated Statements of Cash Flows

	Year ended December 31	
	2013	**2012**
Cash flows from operating activities and nonoperating gains (losses)		
Increase (decrease) in net assets	**$ 29,092,799**	$ (25,871,998)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities and nonoperating gains		
Net appreciation of investments	**(9,514,687)**	(8,889,199)
Other nonoperating gains	**(43,008)**	(47,797)
Gain on disposal of fixed assets	**(144,360)**	(140,482)
Provision for depreciation and amortization	**37,688,151**	39,700,730
Amortization of original issue premium and discount	**(647,292)**	(673,778)
Amortization of physician loans receivable	**1,655,270**	2,444,559
Provision for bad debts	**55,328,623**	12,196,940
Change in pension obligation other than net periodic pension cost	**(33,348,688)**	6,931,357
(Increase) decrease in		
Accounts receivable	**(43,169,839)**	14,181,737
Settlements due from third-party programs	**1,062,206**	(1,228,290)
Inventories	**(853,874)**	(751,022)
Prepaid expenses and other	**(1,273,347)**	944,852
Miscellaneous	**117,668**	1,308,392
Increase (decrease) in		
Accounts payable and accrued expenses	**(970,823)**	(1,648,923)
Employee compensation and professional fees	**2,943,833**	(2,333,863)
Interest payable	**(60,158)**	(38,230)
Insurance claims	**(198,145)**	(1,413,430)
Pension liability	**2,870,853**	1,131,486
Net cash provided by operating activities and nonoperating gains	**40,535,182**	35,803,041

(continued)

Mary Washington Healthcare and Subsidiaries

Consolidated Statements of Cash Flows – continued

	Year ended December 31	
	2013	**2012**
Cash flows from investing activities		
Change in assets whose use is limited		
Net increase in cash and cash equivalents	**$ (1,838,778)**	$ 2,059,091
Purchases of investments	**(72,816,969)**	(96,520,799)
Sales of investments	**47,575,091**	93,296,255
Payments received on pledges receivable	**528,363**	627,756
Acquisition of property, plant and equipment	**(25,344,631)**	(24,828,153)
Proceeds from disposal of property, plant and equipment	**1,211,891**	183,079
Changes in notes receivable	**95,206**	(439,170)
Net cash used in investing activities	**(50,589,827)**	(25,621,941)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	**30,551,367**	702,580
Repayment of long-term obligations	**(8,724,913)**	(9,455,884)
Refunding of long-term obligations	**(30,000,000)**	-
Increase in deferred financing costs	**(578,559)**	-
Net cash used in financing activities	**(8,752,105)**	(8,753,304)
Net increase (decrease) in cash and cash equivalents	**(18,806,750)**	1,427,796
Cash and cash equivalents at beginning of year	**61,685,639**	60,257,843
Cash and cash equivalents at end of year	**$ 42,878,889**	$ 61,685,639

See accompanying notes

Mary Washington Healthcare and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2013 and 2012

1. Summary of Significant Accounting Policies

Organization

Mary Washington Healthcare (MWHC) is the parent corporation for Mary Washington Hospital, Inc (Mary Washington), Stafford Hospital, LLC (Stafford), Mary Washington Hospital Foundation, Inc (MWH Foundation), Stafford Hospital Foundation, Inc (Stafford Foundation), MediCorp Properties, Inc (Properties), Mary Washington Healthcare Clinical Services, Inc (Clinical Services), Mary Washington Healthcare Services, Inc (Services), Fredericksburg Professional Risk Exchange (ProRex), MWHC SIR, LLC (SIR), and Mary Washington Health Alliance, LLC (MWHA) MWHC is a nonstock, tax-exempt, not-for-profit organization Mary Washington, Stafford, MWH Foundation, Stafford Foundation, Properties, and Clinical Services are wholly-controlled, nonstock, tax-exempt, not-for-profit subsidiaries of MWHC Services is a wholly-owned, taxable subsidiary of MWHC ProRex is a majority owned, risk retention group and a taxable subsidiary of MWHC MWHC SIR, LLC is a wholly-owned, taxable subsidiary of MWHC MWHA is a majority owned, taxable, integrated provider network which began operation in 2013

Mission Statement

The primary purpose of MWHC and its subsidiaries is to improve the health of all people within the communities served As such, operating revenues include those generated from direct patient care and sundry revenues related to the operation of MWHC's facilities

Operating Indicators

MWHC's excess of revenues, gains and other support over expenses and losses include all unrestricted revenue, gains, expenses and losses for the reporting period except for contributions of long-term assets, discontinued operations and additional adjustments to net pension liability exclusive of net periodic pension cost Realized gains on sales of property, plant and equipment held by Properties are also considered to be operating activities

Other activities that result in gains or losses unrelated to MWHC's primary mission are considered to be nonoperating Nonoperating gains and losses principally include income and expenses associated with investments in partnerships and joint ventures, as well as the net appreciation (depreciation) on investments and gains (losses) on the sale of fixed assets other than those owned by Properties

1. Summary of Significant Accounting Policies (continued)

Service to the Community

MWHC provides exceptional medical services to the city of Fredericksburg and surrounding counties Established in 1899 and 2009, respectively, Mary Washington (a 442 bed acute care facility) and Stafford (a 100 bed acute care facility) offer comprehensive healthcare and multiple centers of excellence including cardiology and cardiovascular surgery, psychiatry, and women and infant health Mary Washington and Stafford (collectively, the Hospitals) are accredited by the Joint Commission and licensed by the Virginia Department of Behavioral Health and Developmental Services Mary Washington also provides advanced radiation therapy through the Cancer Center of Virginia and home health services through Mary Washington Home Health

Uncompensated Care

It is MWHC's vision to build a healthier community by promoting and providing access to healthcare services to low income residents throughout the city of Fredericksburg and surrounding counties Regardless of the ability to pay, MWHC provides a full spectrum of inpatient and outpatient services to members of their community, including over 10,000 visits per year to the indigent clinic supported by MWHC The indigent clinic is committed to providing access to quality health care services to low-income, uninsured residents in the MWHC service area

MWHC accepts all patients regardless of their ability to pay Patients are classified as eligible for charity care according to MWHC's established policies Amounts determined to qualify as charity care are not pursued for collections, and accordingly are not reported as patient revenue In assessing a patient's inability to pay, MWHC utilizes 200% of the poverty level established by the Federal government MWHC also provides additional discounts on a sliding scale up to 400% of the poverty level Charges for charity care provided for the years ended December 31, 2013 and 2012 were approximately $87,600,000 and $88,900,000, respectively The costs associated with this care equate to approximately $26,925,000 in 2013 and $26,096,000 in 2012 The cost of uncompensated care includes both direct and indirect costs on a ratio of cost to charges basis

1. Summary of Significant Accounting Policies (continued)

Service to the Community (continued)

Support for Medical Education Programs

The Foundations award educational scholarships to individuals enrolled in a nursing program or who wish to pursue a career in a health care field MWHC encourages and provides financial support for all employees who wish to increase their health care knowledge MWHC also provides financial assistance to employees to attend training to acquire skills and knowledge that will assist in providing healthcare education and/or conduct health fairs that will improve the health status of the community Mary Washington serves as a clinical training site for undergraduate students enrolled in various healthcare programs with colleges and universities throughout Virginia

Other Community Services

MWHC also provides

- funding to community organizations that are health-focused, such as the Lloyd Moss Free Clinic and the Medication Access,
- clinical programs that assist many people who would not otherwise be able to access care,
- health promotion programs and services, such as smoking cessation, blood pressure screenings and wellness programs, and
- social services to assist patients in arranging for non-hospital health care services

Basis for Consolidation

The consolidated financial statements include the accounts of MWHC and its wholly controlled (tax-exempt) or owned (taxable) subsidiaries and majority-owned partnerships Significant intercompany accounts and transactions are eliminated in consolidation

1. Summary of Significant Accounting Policies (continued)

Noncontrolling Interest

Noncontrolling interest represents the minority partners' proportionate share of Mary Washington Hospital and University of Virginia Radiosurgery Center, LLC, owned 80% by Mary Washington, Tompkins-Martin Medical Plaza, L P (TMMP), owned 99% by Properties, Medical Imaging of Fredericksburg (MIF), owned 51% by Clinical Services, Fredericksburg Ambulatory Surgery Center, LLC (FASC), owned 54% (61% in 2012) by Clinical Services, Fredericksburg Professional Risk Exchange (ProRex), owned 99% by MWHC, Mary Washington Eye Care Center (MWECC), owned 100% in 2013 by Clinical Services (60% in 2012), and MWHA, owned 83% by MWHC in 2013

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from these estimates

Cash Equivalents

MWHC considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents Cash and cash equivalents are maintained in commercial banks, for which the aggregate of $250,000 per commercial bank is insured by the Federal Deposit Insurance Corporation (FDIC) MWHC's cash balance routinely exceeds the maximum amount insured by the FDIC MWHC has not experienced any losses related to funds held in excess of the FDIC limit

1. Summary of Significant Accounting Policies (continued)

Allowance for Uncollectible Accounts

The provision for uncollectible accounts is based upon management's judgmental assessment of historical and expected net collections considering business and general economic conditions in its service area, trends in healthcare coverage, and other collection indicators Throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon its review of accounts receivable payor composition and aging, taking into consideration recent write-off experience by payor category, payor agreement rate changes and other factors The results of these assessments are used to make modifications to the provision for bad debts and to establish an appropriate allowance for uncollectible accounts receivable

For self-pay patients, the provision is based on an analysis of past experience related to collection rate of self-pay balances MWHC follows established guidelines for placing certain past-due patient balances with external collection agencies At December 31, 2013 and 2012, the allowance for uncollectible accounts represented approximately 92% of the patients due accounts receivable balance The patients due accounts receivable balance represents the estimated uninsured portion of accounts receivable

Inventories

Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or market

Assets Whose Use is Limited

Unrestricted resources appropriated or designated by the Board of Trustees for long- term purposes are reported as assets whose use is limited Such long-term purposes include acquisition of capital assets, payment of health and malpractice insurance claims, and a community service fund

Assets whose use is limited also includes resources restricted for debt service under bond indenture agreements, resources restricted for malpractice claims and resources restricted by donors

Assets whose use is limited are carried at fair value The fair value of marketable equity securities held in the investment portfolio is based on quoted market prices Realized and unrealized gains and losses are excluded from income from operations Cost used in the determination of gains and losses on sales of investments is based on the specific cost of the investment sold, adjusted for any other than temporary declines in the value of investments

1. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment purchased are reported on the basis of cost Donated items are recorded at fair market value at the date of contribution Depreciation is computed using the straight-line method over the estimated useful lives of the related assets The general range of useful lives estimated for buildings and building improvements is ten to forty years and for equipment is five to twenty-five years

Notes Receivable

Notes receivable include amounts generated from sales of real estate and businesses, as well as the physician loan program, and have maturity dates ranging from one to five years

Deferred Financing Costs

Financing costs incurred in connection with issuance of long-term obligations are deferred and amortized using the effective interest method over the term of the related indebtedness

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations

Revenue from the Medicare and Medicaid programs accounted for approximately 32% and 9%, respectively, of MWHC's net patient service revenue for the years ended December 31, 2013 and 2012 Laws and regulations governing the Medicare and Medicaid programs are 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

1. Summary of Significant Accounting Policies (continued)

Net Patient Services Revenue (continued)

Net patient service revenue for MWHC for the year ended December 31, 2013 includes approximately $128,500,000, $175,900,000 and $48,350,000 (2012 – $125,600,000, $165,900,000 and $47,372,000) for services provided to beneficiaries of Anthem BlueCross and Blue Shield of Virginia (Anthem), the Centers for Medicare and Medicaid Services (Medicare), and the Virginia Medical Assistance Program (Medicaid), respectively, under the provisions of reimbursement arrangements in effect that provide for payments to MWHC at amounts different from its established rates

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

- *Anthem* Inpatient and outpatient services rendered to Anthem subscribers are reimbursed at prospectively determined discounted rates The prospectively determined rates are not subject to retroactive adjustment

- *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 Inpatient non-acute services and certain outpatient services related to Medicare beneficiaries are also paid based on a cost reimbursement methodology Most outpatient services related to Medicare beneficiaries are also paid at prospectively determined rates based on clinical and diagnostic factors The Hospitals are reimbursed for certain indirect cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by the Medicare fiscal intermediary Mary Washington's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2009 Medicare cost reports for Stafford have been audited through December 31, 2011

1. Summary of Significant Accounting Policies (continued)

Net Patient Services Revenue (continued)

- *Medicaid* Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge Inpatient non-acute services and certain outpatient services rendered to Medicaid beneficiaries are paid based on a cost reimbursement methodology The Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by Medicaid Mary Washington's Medicaid cost reports have been audited by Medicaid through December 31, 2000 Medicaid cost reports for Stafford have not been audited since the facility began operations in 2009 Tentative desk settlements have been received through December 31, 2011 for the Hospitals

Meaningful Use

Under the provisions of the American Recovery and Reinvestment Act of 2009, incentive payments are available to certain healthcare providers that can demonstrate "meaningful use" of certified electronic health record technology MWHC recognizes these incentive payments when it is reasonably assured that they will successfully demonstrate compliance with the meaningful use criteria During the years 2013 and 2012, MWHC recognized approximately $4,200,000 and $1,000,000, respectively, in other operating revenue in the accompanying consolidated financial statements

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by MWHC 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 MWHC in perpetuity

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to MWHC are reported at fair value at the date the promise is received

The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations and changes in net assets as other income Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements

1. Summary of Significant Accounting Policies (continued)

Income Taxes

MWHC was recognized as a public charity generally exempt from federal income taxation under 501(c)(3) of the Internal Revenue Code pursuant to a determination letter issued by the IRS in March 1992 MWHC is entitled to rely on this determination as long as there are no substantial changes in its character, purposes, or methods of operation Management has concluded that there have been no such changes, and therefore MWHC's status as a public charity exempt from federal income taxation remains in effect The state in which MWHC operates also provides general exemption from state income taxation for organizations that are exempt from federal income taxation However, MWHC is subject to both federal and state income taxation at corporate tax rates on its unrelated business income Exemption from other state taxes, such as real and personal property taxes, is separately determined Certain entities owned or controlled by MWHC are taxable entities

MWHC had no unrecognized tax benefits or liabilities or such amounts were immaterial during the periods presented For tax periods with respect to which no unrelated business income was recognized, no tax return was required Tax periods for which no return is filed remain open for examination indefinitely All required tax filings have been filed on a timely basis

Reclassification

Certain prior year amounts have been reclassified to conform to current year's presentation

Subsequent Events

Subsequent events have been evaluated by management through April 7, 2014 which is the date that the consolidated financial statements were available to be issued

2. Assets Whose Use is Limited

The fair market value of assets whose use is limited at December 31 are summarized as follows

	2013	2012
Internally designated for healthcare programs and capital acquisitions		
Cash and cash equivalents	**$ 6,682,270**	$ 8,753,151
Bonds and other fixed maturity securities	**466,403**	827,245
Equity securities	**101,179,768**	71,410,508
Alternative investments	**39,693,667**	30,295,384
	148,022,108	111,286,288
Internally designated for malpractice claims		
Cash and cash equivalents	**1,267,985**	168,572
Bonds and other fixed maturity securities	**2,345,097**	2,706,354
Equity securities	**7,410,869**	7,885,803
	11,023,951	10,760,729
Externally restricted by donors		
Cash and cash equivalents	**1,531,901**	696,620
Pledges receivable	**4,187,670**	5,256,559
Bonds and other fixed maturity securities	**170,994**	300,114
Equity securities	**11,655,341**	12,224,401
	17,545,906	18,477,694
Externally restricted under bond indenture agreement (held by trustees)		
Cash and cash equivalents	**6,286,409**	6,286,683
	$ 182,878,374	$ 146,811,394

2. Assets Whose Use is Limited (continued)

Investment income and gains on assets whose use is limited are comprised of the following for the year ended December 31

	2013	2012
Revenue and other support		
Interest and dividends	**$ 3,448,338**	$ 3,816,953
Nonoperating gains		
Net appreciation of investments	**9,514,687**	8,889,199
	12,963,025	12,706,152
Changes in temporarily restricted net assets		
Interest and dividends	**364,411**	355,574
Net appreciation of investments	**919,255**	968,159
	1,283,666	1,323,733
	$ 14,246,691	$ 14,029,885

MWHC's investment portfolio is classified as "trading" As a result, all gains and losses on investments, including realized, unrealized and impairment losses, are reported on the consolidated statements of operations as non-operating gains and losses

Net appreciation of investments includes realized and unrealized gains (losses) on investments

2. Assets Whose Use is Limited (continued)

Current accounting standards define 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, and establish a framework for measuring fair value and establish a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date, as follows

Level 1 Quoted prices in active markets for identical assets or liabilities Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U S Treasury securities

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 Significant inputs include benchmark yields, broker-dealer quotes, issue spreads, bids, offers, and measures of volatility Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments This category generally includes certain U S government and agency mortgage-backed debt securities, corporate-debt securities, and alternative investments

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 This category generally includes certain private debt and equity instruments and alternative investments

2. Assets Whose Use is Limited (continued)

The following discussion describes the valuation methodologies used for financial assets measured at fair value. The techniques utilized in estimating the fair values are affected by the assumptions used, including discount rates, and estimates of the amount and timing of future cash flows. Care should be exercised in deriving conclusions about MWHC's business, its value, or financial position based on the fair value information of financial assets presented below.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of the timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. Furthermore, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in the amounts disclosed.

Fair values for MWHC's fixed maturity securities (corporate bonds, government debt securities, and government mortgage and asset backed securities) are based on prices provided by its investment managers, who use a variety of pricing sources to determine market valuations. Each designate specific pricing services or indexes for each sector of the market based upon the provider's experience. MWHC's fixed maturity securities portfolio is highly liquid, which allows for a high percentage of the portfolio to be priced through pricing services.

Fair values of equity securities have been determined by MWHC from observable market quotations, when available. Private placement securities and other equity securities where a public quotation is not available are valued by using broker quotes.

MWHC's private equity funds seek to generate investment return and long-term capital growth by investing in assets of primarily equity securities of mid-to large capitalization, domestic and international companies. MWHC purchases units of membership, which are valued based on the underlying investments.

MWHC commingled trust funds are valued by the managers of the funds who obtain prices for financial instruments held in client portfolios using external pricing vendors, independently verified models, valuation software, broker/dealers, and internal fair value procedures.

2. Assets Whose Use is Limited (continued)

MWHC's real estate funds employ an independent valuation consultant to administer a valuation program. Each of the fund's participating mortgage loans and other real property interests are generally appraised every quarter after the investment is made.

MWHC's investments include investments in limited partnerships and other alternative investments, which are made in accordance with MWHC's investment policies. The limited partnerships acquire, hold, invest, manage, dispose of, and otherwise deal in and with securities of all kinds and descriptions. Publicly traded securities are generally valued by reference to closing market prices on one or more national securities exchange or generally accepted pricing services selected by the fund managers of the limited partnership. Securities not valued by such pricing services will be valued upon bid quotations obtained from independent dealers in the securities.

In the absence of any independent quotations, securities will be valued by the fund managers on the basis of data obtained from the best available sources. Although the various fund managers use their professional judgment at estimating the fair value of the alternative investments, there are inherent limitations in any valuation technique. Therefore, the value determined by fund managers is not necessarily indicative of the amount that could be realized in a current transaction. Future events will also affect the estimates of fair value, and the effect of such events on the estimates of the fair value could be material.

2. Assets Whose Use is Limited (continued)

The following tables present MWHC's financial assets that are measured at fair value on a recurring basis

	December 31, 2013			
	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents	$ 15,768,565	-	-	$ 15,768,565
Bonds and other debt securities		-	-	
Corporate bonds				
Maturity 1 to 10 years	-	545,883	-	545,883
Maturity > 10 years	-	139,687	-	139,687
Government debt securities				
Maturity 1 to 10 years	1,571,090	-	-	1,571,090
Maturity > 10 years	725,834	-	-	725,834
Equity securities				
Mutual funds				
Large Blend	6,393,441	-	-	6,393,441
Intermediate-Term Bond	17,334,874	-	-	17,334,874
World Allocation	9,131,779	-	-	9,131,779
World Bond	10,795,600	-	-	10,795,600
World Stock	23,991,934	-	-	23,991,934
Multialternative	12,469,446	-	-	12,469,446
Other	19,770,005	-	-	19,770,005
Common stock				
Basic materials	2,492,446	-	-	2,492,446
Financial	3,734,966	-	-	3,734,966
Healthcare	1,726,006	-	-	1,726,006
Services	4,161,017	-	-	4,161,017
Technology	4,481,703	-	-	4,481,703
Other	3,762,761	-	-	3,762,761
Alternative investments			39,693,667	39,693,667
	$ 138,311,467	$ 685,570	$ 39,693,667	$ 178,690,704

2. Assets Whose Use is Limited (continued)

	December 31, 2012			
	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents	$ 15,905,026	$ -	$ -	$ 15,905,026
Bonds and other debt securities				
Corporate bonds				
Maturity 1 to 10 years	-	356,352	-	356,352
Maturity > 10 years	-	469,798	-	469,798
Government debt securities				
Maturity 1 to 10 years	1,872,182	-	-	1,872,182
Maturity > 10 years	1,135,381	-	-	1,135,381
Equity securities				
Mutual funds				
Large Blend	14,212,215	-	-	14,212,215
Intermediate-Term Bond	16,095,407	-	-	16,095,407
World Allocation	11,028,706	-	-	11,028,706
World Bond	10,525,701	-	-	10,525,701
World Stock	17,050,768			17,050,768
Other	11,533,709	-	-	11,533,709
Common stock				
Basic materials	741,318	-	-	741,318
Financial	1,009,606	-	-	1,009,606
Healthcare	1,060,902	-	-	1,060,902
Services	2,800,252	-	-	2,800,252
Technology	3,720,256	-	-	3,720,256
Other	1,741,872	-	-	1,741,872
Alternative investments			30,295,384	30,295,384
	$ 110,433,301	$ 826,150	$ 30,295,384	$ 141,554,835

The following table presents the activity for the Level 3 funds as of December 31

	2013	2012
Fair value, beginning of year	**$30,295,384**	$ 38,837,339
Purchase of investments	**15,552,419**	1,001,421
Sales of investments	**(7,249,349)**	(7,765,238)
Net appreciation (depreciation)	**1,095,213**	(1,778,138)
Fair value, end of year	**$39,693,667**	$ 30,295,384

2. Assets Whose Use is Limited (continued)

Transfers are generally made to rebalance the investment portfolio in accordance with MWHC's investment policy. Transfers in (out) of Level 3 were approximately $8,300,000 and $(6,800,000) during 2013 and 2012, respectively.

Total alternative investments as of December 31, 2013 and 2012 are as follows:

	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	2013	2012			
Private equity funds	$ 871,615	$ 707,616	$ 1,072,000	after 3+ years	n/a
Commingled trust funds	6,348,520	2,007,056	-	Monthly	by 22nd of month
Real estate funds	8,962,369	8,348,371	-	Quarterly	60 days prior to end of quarter
Limited partnership	509,271	-	1,503,000	In accordance with subscription agreement	
Fund of funds	23,001,892	19,232,341	-	90 days to 3 years	quarterly to 95 days notice
Total	$ 39,693,667	$ 30,295,384			

3. Restricted Net Assets

Temporarily restricted net assets are available at December 31 for the following purposes:

	2013	2012
Healthcare programs and services	**$ 15,145,820**	$ 16,145,822
Acquisition of building and equipment	**136,210**	133,700
Educational seminars, scholarships and other	**1,005,665**	939,961
	$ 16,287,695	$ 17,219,483

3. Restricted Net Assets (continued)

Permanently restricted net assets ($1,258,210 as of December 31, 2013 and 2012) are restricted to investments in perpetuity, the income from which is expendable to support charitable purposes specified by the donors

Current accounting standards require certain disclosures for donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) The Commonwealth of Virginia has adopted UPMIFA In management's opinion, the adoption of UPMIFA had no impact on the accounting for the MWHC's endowment

4. Property, Plant and Equipment

Property, plant and equipment at December 31 consist of the following

	2013	2012
Land and land improvements	**$ 77,324,013**	$ 74,546,973
Buildings	**295,124,153**	293,099,995
Fixed equipment	**85,497,793**	85,335,707
Movable equipment	**306,572,953**	304,012,900
Construction in progress	**10,880,700**	8,275,187
	775,399,612	765,270,762
Less accumulated depreciation and amortization	**459,703,062**	436,485,124
	$ 315,696,550	$ 328,785,638

The estimated cost to complete construction in progress at December 31, 2013 is approximately $13,793,000 This amount relates primarily to the cost of technology upgrades and replacements required for the Electronic Health Record Incentive Program required by the Center for Medicare and Medicaid Services (CMS), as well as other construction projects and replacement of equipment

5. Long-Term Obligations

Long-term obligations at December 31 consist of the following

	2013	2012
Promissory note payable under the Voluntary Hospitals of America Mid-Atlantic States, Inc Capital Asset Financing Program (the Program) Under this program, tax-exempt hospital revenue bonds were issued through the Industrial Development Authority of the City of Lynchburg, Virginia Interest, which is adjustable monthly, is based upon the interest rate and debt issuance and service costs of the Program. The interest rate averaged 6 79% for the year ended December 31, 2013 (7 42% in 2012) Payments, including principal and interest, were due monthly through January 2013	**$ -**	$ 176,497
Note payable issued in September 2002 to the Industrial Development Authority of the City of Fredericksburg, Virginia, who in turn issued tax-exempt Revenue Bonds (Series 2002B) The Series 2002B Bonds are comprised of $65,000,000 Term bonds The term bonds mature on June 15, 2027 ($21,965,000) and June 15, 2033 ($43,035,000) and bear interest at 5 25% and 5 125%, respectively The Hospital is required to make mandatory annual sinking fund payments ranging from $4,985,000 in 2024 to $8,125,000 in 2033	**65,000,000**	65,000,000

5. Long-Term Obligations (continued)

	2013	2012
Note payable issued in December 2006 to the Economic Development Authority of Stafford County, Virginia, who in turn issued tax-exempt Hospital Facilities Revenue Bonds (Series 2006) The bonds mature in graduated annual amounts ranging from $560,000 in 2014 to $4,435,000 in 2026 and bear interest at varying rates ranging from 4 0% to 5 25%	**125,000,000**	125,000,000
Note payable issued in June 2007 to the Economic Development Authority of the City of Fredericksburg, Virginia, who in turn issued Hospital Facilities Revenue and Refunding bonds (Series 2007) The bonds mature in graduated annual amounts ranging from $660,000 in 2007 to $7,600,000 in 2023 and bear interest at varying rates ranging from 5% to 5 25% The interest rate was 5% for 2013 and 2012	**60,860,000**	65,420,000
Promissory note payable under the Voluntary Hospitals of America Mid-Atlantic States, Inc Capital Asset Financing Program (the Program) Under this program, tax-exempt hospital revenue bonds were issued through the Industrial Development Authority of the City of Lynchburg, Virginia Interest, which is adjustable monthly, is based upon the interest rate and debt issuance and service costs of the Program. The interest rate averaged 7 34% and 7 42% for 2013 and 2012, respectively Payments including principal and interest began January 2009 and are due monthly through October 2014	**2,217,574**	4,736,714

5. Long-Term Obligations (continued)

	2013	2012
Note payable issued in July 2011 to the Economic Development Authority of the City of Fredericksburg, Virginia, which in turn issued a Hospital Facilities Revenue Bond (Series 2011) Interest, which was adjustable monthly,was based upon the LIBOR Rate Interest only payments were due monthly beginning in August 2011 and continued through August 2013 The interest rates averaged 2 07% and 1 99% for 2013 and 2012, respectively Payments including principal and interest begin September 2013 and were due monthly through August 2038 The note payable was fully paid in 2013 using proceeds from the Series 2013A bonds	-	30,000,000
Note payable issued in November 2013 to the Economic Development Authority of the City of Fredericksburg Virginia, which in turn issued Variable Rate Revenue and Refunding Bonds (Series 2013A) Interest, which is adjustable monthly, is based upon the SIFMA Index Interest only payments are due monthly beginning in December 2013 The interest rate averaged 1 96% during 2013 Payments of principal begin December 2017 and are due monthly through November 2038	**30,405,000**	-
Other	**145,589**	1,468,497
	283,628,163	291,801,708
Plus Premium on Series 2006 Bonds	**5,493,027**	5,790,339
Plus Premium on Series 2007 Bonds	**2,028,735**	2,414,353
Less Original Issue Discount on Series 2002 Bonds	**(547,594)**	(583,231)
	290,602,331	299,423,169
Current maturities of long-term obligations	**8,241,428**	9,616,243
	$ 282,360,903	$ 289,806,926

5. Long-Term Obligations (continued)

Maturities and sinking fund requirements of long-term obligations for each of the next five years and thereafter are approximately 2014 – $8,241,000, 2015 – $6,273,000, 2016 – $6,528,000, 2017 – $7,718,000, 2018 – $8,052,000 and thereafter – $253,790,000

The Series 2013A, 2011, 2007, 2006, and 2002B bonds are secured by a pledge of the gross receipts of each member of the Obligated Group (MWHC, Mary Washington, Stafford, MWH Foundation, and Properties) and the related trust indenture contains certain restrictions, including an annual debt service coverage ratio requirement that the income available for debt service (as defined) be not less than 115% of maximum annual debt service (as defined) In the opinion of management, the Obligated Group was in compliance with the provisions of the Master Trust Indenture for the years ended December 31, 2013 and 2012

The Series 2011 bonds also required quarterly and annual maintenance of specified ratios and other financial covenants for the Obligated Group including an annual debt service coverage ratio (as defined) of at least 125%, a debt to capitalization ratio (as defined) no greater than 65%, at least 75 days cash on hand (as defined) and a minimum operating income (as defined) of graduated amounts In the opinion of management, in 2012 the Obligated Group met all of the requirements except for the minimum operating income and the debt service coverage ratio covenants The bondholder agreed to waive the event of default arising from the noncompliance of these covenants after the Obligated Group agreed to amend these covenants The Series 2011 bonds were subsequently paid in full using proceeds from the Series 2013A bonds

Trusteed funds aggregating approximately $6,286,000 and $6,287,000 at December 31, 2013 and 2012 are restricted for debt service on the notes under the terms of the related bond indenture agreements (see Note 2)

During the years ended December 31, 2013 and 2012, MWHC paid approximately $13,435,000 and $13,955,000, respectively, for interest

6. Retirement Plans

MWHC sponsors two retirement plans for its Associates The first is a traditional, noncontributory, defined benefit retirement plan (the Plan) The second is a supplemental, defined contribution retirement plan (the Supplemental Plan) Both plans cover substantially all of MWHC's employees and are subject to provisions of the Employee Retirement Income Security Act of 1974 Further details are provided for each Plan

Defined Benefit Plan

Effective December 31, 2003, the Plan was frozen relative to allowing new participants Employees of record as of December 31, 2003 will continue to be eligible for benefits under the Plan Employees hired on or after January 1, 2004 are not eligible to participate in the Plan Effective May 22, 2010, the Plan was frozen relative to all future benefit accruals

Benefits to eligible participants, which are based upon fixed percentages of a participant's average earnings for credited years of services, are paid when an employee reaches retirement age (normally 65) MWHC funding policy is to contribute amounts to the Plan sufficient to meet the minimum funding requirements under the Employee Retirement Income Security Act of 1974, plus such additional amounts as MWHC may determine to be appropriate from time to time

The overall financial objectives of the Plan's asset accumulation strategy are to provide funds for the timely payment of Plan obligations and to produce an investment rate of return that minimizes MWHC contributions The primary investment objective of the Plan is to maintain a diverse portfolio with a conservative risk profile To achieve its investment objective, the Plan assets are generally allocated 20% to fixed income investments and 80% to equity investments based on fair value The Plan's investments are also diversified by asset class (e g , equities, bonds, and cash equivalents) and within asset classes (e g , within equities by economic sector, industry, and size) in order to provide assurance that no single security or class of securities will have a disproportionate impact on the Plan

6. Retirement Plans (continued)

Defined Benefit Plan (continued)

The following table sets forth the Plan's funded status as of the measurement date, December 31

	2013	2012
Reconciliation of Benefit Obligation and Plan Assets at December 31:		
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	**$ 172,430,783**	$ 154,250,355
Interest cost	**6,800,851**	6,994,701
Actuarial (gain) loss	**(22,963,242)**	15,346,563
Benefits paid	**(4,697,549)**	(4,160,836)
Projected benefit obligation at end of year	**$ 151,570,843**	$ 172,430,783
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 111,581,873**	$ 101,464,288
Return on plan assets	**14,315,444**	12,278,421
Employer contributions	**-**	2,000,000
Benefits paid	**(4,697,549)**	(4,160,836)
Fair value of plan assets at end of year	**$ 121,199,768**	$ 111,581,873
Funded Status Reconciliation and Key Assumptions at December 31:		
Reconciliation of funded status		
Funded status of plan at end of year	**$ (30,371,075)**	$ (60,848,910)
Net amount recognized	**$ (30,371,075)**	$ (60,848,910)
Amounts recognized in the consolidated balance sheets		
Noncurrent (liabilities)	**$ (30,371,075)**	$ (60,848,910)
	$ (30,371,075)	$ (60,848,910)

6. Retirement Plans (continued)

Defined Benefit Plan (continued)

	2013	2012
Amounts recognized in accumulated other comprehensive income:		
Accumulated loss	**$ 21,973,784**	$ 55,322,472
Accumulated other comprehensive income	**$ 21,973,784**	$ 55,322,472
Weighted-average assumptions used to determine projected benefit obligation		
Measurement date	**December 31, 2013**	December 31, 2012
Discount rate	**5.00%**	4.00%
Rate of compensation increase	**N/A**	N/A
Components of net periodic benefit expense		
Interest cost	**$ 6,800,851**	$ 6,994,701
Expected rate of return on plan assets	**(8,189,438)**	(7,489,846)
Amortization of net (gain) loss	**4,259,440**	3,626,631
Net periodic benefit expense	**$ 2,870,853**	$ 3,131,486
Other changes in plan assets and benefit obligations recognized in other comprehensive income		
Net actuarial (gain) loss	**$ (29,089,248)**	$ 10,557,988
Amortization of net (gain) or loss	**(4,259,440)**	(3,626,631)
Total recognized in accumulated other comprehensive income	**$ (33,348,688)**	$ 6,931,357
Total recognized in net benefit cost and accumulated other comprehensive income	**$ (30,477,835)**	$ 10,062,843
Weighted-average assumptions used to determine net periodic benefit expense		
Measurement date	**December 31, 2013**	December 31, 2012
Discount rate	**5.00%**	4.60%
Expected return on plan assets	**7.50%**	7.50%
Rates of compensation increase	**N/A**	N/A

6. Retirement Plans (continued)

Defined Benefit Plan (continued)

The Plan's weighted-average asset allocations by asset category at the Plan's measurement date of December 31 are as follows

Equity securities	**34%**	61%
Debt securities	**52%**	17%
Other (primarily cash and cash equivalents and fund of funds)	**14%**	22%
Total	**100%**	100%

The following benefit payments are expected to be paid during the years ending December 31

2014	$ 5,572,724
2015	6,014,088
2016	6,373,765
2017	6,808,622
2018	7,280,723
Years 2019-2023	43,326,223

The following presents the Plan assets measured at fair value on a recurring basis

	December 31, 2013			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Cash and cash equivalents	$ 1,380,930	$ -	$ -	$ 1,380,930
Mutual funds	104,299,885	-	-	104,299,885
Alternative investments	-	-	15,518,953	15,518,953
	$ 105,680,815	$ -	$ 15,518,953	$ 121,199,768

6. Retirement Plans (continued)

Defined Benefit Plan (continued)

	December 31, 2012			
	Level 1	Level 2	Level 3	Total Fair Value
Cash and cash equivalents	$ 1,766,396	$ -	$ -	$ 1,766,396
Common stock	29,956,194	-	-	29,956,194
Common stock-REIT	2,284,830	-	-	2,284,830
Mutual funds	48,986,482	5,184,654	-	54,171,136
Alternative investments	-	-	23,403,317	23,403,317
	$ 82,993,902	$ 5,184,654	$ 23,403,317	$ 111,581,873

The following table presents the activity for the Level 3 funds as of December 31

	2013	2012
Balance, beginning of year	$ 23,403,317	$ 21,991,259
Purchases	5,327,964	-
Sales	(14,111,146)	-
Realized gains	1,506,558	-
Unrealized gains (losses)	(607,740)	1,412,058
Balance, end of year	$ 15,518,953	$ 23,403,317

Transfers out of Level 3 totaled approximately $8,800,000 during 2013 There were no transfers between levels during 2012

Alternative investments, which consist of investments in in limited partnerships and collective investment funds contain no unfunded commitments and can be redeemed on a quarterly basis with sixty-five (65) days advance notice

6. Retirement Plans (continued)

Defined Contribution Plan

The Supplemental Plan covers substantially all employees who are age twenty-one or older The Supplemental Plan was adopted January 1, 1992 and is subject to the provisions of the Employee Retirement Income Security Act of 1974 The Supplemental Plan has received a favorable determination letter from the Internal Revenue Service exempting it from federal income taxation under the Internal Revenue Code

Each year, MWHC contributes 50% of the first 6% of base compensation up to a maximum regular matching contribution of 3% of covered compensation for the payroll period that each participant contributes to the Supplemental Plan In addition to the regular matching contribution, MWHC makes a transition matching contribution to certain predetermined participants based on the actuarial factors described in the Supplemental Plan agreement At the Board of Trustees' discretion, additional amounts may be contributed During 2013 and 2012, respectively, MWHC contributed approximately $4,192,000 and $4,137,000 to the Supplemental Plan

As of May 22, 2010, participants were 100% vested in all contributions plus actual earnings thereon New participants after May 22, 2010 vest in the matching contributions and earnings thereon after three years of eligible service MWHC can terminate the Supplemental Plan at any time At such time, participants remain entitled to their vested benefits

Associates hired after January 1, 2004, and who are not eligible for the Plan, may receive an additional 2% in base contributions to the Supplemental Plan Effective May 22, 2010, the Supplemental Plan was amended to allow Associates who no longer earned retirement benefits under the Plan to participate in the Supplemental Retirement Plan The existing 2% additional base contribution under the Supplemental Plan was changed to be based on service using the following scale 2% for 1 – 10 years, 4% for 11 – 19 years, 6% for service greater than 20 years This discretionary contribution is made the year after the eligibility requirements are met No payment was made in 2013 MWHC contributed approximately $5,763,000 in base contributions in 2012

7. Malpractice Insurance

MWHC manages its professional and general liability through a controlled Risk Retention Group and, effective for claims made January 1, 2011 forward, a Self Insured Retention Group (SIR) Fredericksburg Professional Risk Exchange (ProRex), a subsidiary of MWHC, is a reciprocal insurance company licensed in the State of Vermont For claims reported in 2013 and 2012, ProRex retained risk for MWHC and its subsidiaries of $2,100,000 and $2,050,000 per claim respectively and $7,000,000 in the aggregate Risks above those limits are covered by a commercial excess insurance policy with a $20,000,000 aggregate limit As noted above, MWHC formed SIR to manage the first $675,000 of each claim made after January 1, 2011 ProRex also retained risk for certain physicians who are also related to the Hospital and who are minority owners in ProRex

MWHC owns 100% of SIR and holds a majority ownership position in ProRex, and their assets, liabilities and operations are consolidated in the accompanying MWHC financial statements SIR has accrued approximately $4,579,000 and $3,430,000 related to its share of estimated payments to be made for claims filed throughout 2013 and 2012 respectively as well as for estimated losses on unfiled claims which relate to events occurring in those years ProRex has accrued approximately $6,195,000 and $7,208,000 related to its share of estimated payments to be made under its professional liability insurance program for claims filed through December 31, 2013 and 2012 respectively, as well as for estimated losses on unfiled claims which relate to events occurring in 2013 and prior years The amount of liability accrued is based on independent actuarial estimates calculated on a discounted basis using a 2 16% and 3 46% interest rate for 2013 and 2012, respectively Assets held by ProRex are restricted by statute from being transferred to another subsidiary or obligated for any other purpose and accordingly are included in assets whose use is limited In addition, MWHC has accrued approximately $3,642,000 and $3,439,000 through December 31, 2013 and 2012, respectively, related to estimated payments to be made under its tail coverage insurance program

8. Functional Expenses

MWHC provides health care and related services to its geographic location. Expenses related to providing these services for the years ended December 31 are as follows:

	2013	2012
Acute care services	**$ 566,119,137**	$ 563,456,193
Long-term care services	**6,947,870**	6,723,404
Fundraising and charitable giving	**824,201**	640,028
Property management	**11,336,280**	9,317,195
Management and general	**15,501,091**	14,383,536
	$ 600,728,579	$ 594,520,356

9. Fair Value of Financial Instruments

The carrying amounts of the MWHC's financial instruments, excluding long-term obligations, approximate their fair values (see Note 2). The fair value of MWHC's long-term obligations is estimated based on the quoted market prices for the same or similar issues or using discounted cash flow analyses.

The carrying amount and fair value of MWHC's long-term obligations at December 31 are as follows:

	2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term obligations	**$ 290,602,331**	**$ 286,351,822**	$ 299,423,169	$ 314,738,648

10. Concentration of Credit Risk

The Hospitals and Health Services grant credit without collateral to their patients, most of whom are local residents and are insured under third-party payor agreements The mix of net accounts receivable from patients and third-party payors as of December 31 was as follows

	2013	2012
Medicare	**24%**	20%
Medicaid	**8**	8
Anthem	**16**	31
Other commercial	**41**	30
Patients and other	**11**	11
	100%	100%

11. Risks and Uncertainties

MWHC's ability to maintain and/or increase future revenues could be adversely affected by (1) the growth of managed care organizations promoting alternative methods for health care delivery and payment of services such as discounted fee for service networks and capitated fee arrangements (2) proposed and/or future changes in the laws, rules, regulations, and policies relating to the definition, activities, and/or taxation of not-for-profit tax-exempt entities, and (3) the enactment into law of all or any part of the current budget resolutions under consideration by Congress related to Medicare and Medicaid reimbursement methodology and/or further reductions in payments to hospitals and other health care providers (4) the ultimate impact of the federal Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010

The Joint Commission, a non-governmental privately owned entity, provides accreditation status to hospitals and other health care organizations in the United States Such accreditation is based upon a number of requirements such as undergoing periodic surveys conducted by Joint Commission personnel Certain managed care payers require hospitals to have appropriate Joint Commission accreditation in order to participate in those programs In addition, CMS, the agency with oversight of the Medicare and Medicaid programs, provides "deemed status" for facilities having Joint Commission accreditation By being Joint Commission accredited, facilities are "deemed" to be in compliance with the Medicare and Medicaid conditions of participation Termination as a Medicare provider or exclusion from any or all of these programs/payers would have a materially negative impact on the future financial position, operating results and cash flows of MWHC

11. Risks and Uncertainties (continued)

MWHC is involved in litigation arising in the ordinary course of business In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect on MWHC's consolidated financial position

12. Lease Obligations

MWHC leases various equipment and facilities under operating leases expiring at various dates through June 2035 Total rental expense in 2013 and 2012 for all operating leases was approximately $14,383,000 and $14,427,000, respectively The undiscounted future minimum obligations under all non-cancellable operating leases, net of income from subleases for each of the next five years and thereafter are approximately 2014 - $4,166,000, 2015 - $4,423,000, 2016 - $4,320,000, 2017 - $3,995,000, 2018 - $3,496,000, and thereafter - $59,677,000

COHEN
RUTHERFORD
+ KNIGHT PC
Certified Public Accountants

Report of Independent Auditors

Board of Trustees
Mary Washington Healthcare and Subsidiaries

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole The consolidating information presented hereinafter as of and for the year ended December 31, 2013 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Cohen, Rutherford + Knight, P.C.

April 7, 2014
Bethesda, Maryland

6903 Rockledge Drive, Suite 500, Bethesda, MD 20817 **Tel:** 301 828 1000 **Fax:** 301 530 3625

Mary Washington Healthcare and Subsidiaries – Obligated Group

Consolidated Balance Sheets

December 31, 2013

Assets	
Current Assets	
Cash and cash equivalents	**$ 34,523,992**
Accounts receivable	
Patient accounts receivable, less allowances	**62,387,290**
Settlements due from third parties	**13,146,096**
Due from affiliates	**8,251,070**
Other	**1,886,687**
	85,671,143
Notes receivable	**26,280**
Inventories	**9,202,762**
Prepaid expenses and other	**6,402,671**
Total current assets	**135,826,848**
Assets whose use is limited	
Internally designated for healthcare programs and capital acquisitions	**143,513,640**
Externally restricted by donors	**17,434,009**
Externally restricted by bond indenture agreement	**6,286,409**
	167,234,058
Property, plant and equipment	**308,273,913**
Other assets	
Notes receivable	**2,172,511**
Deferred financing costs	**1,809,442**
Miscellaneous	**2,910,094**
Equity in subsidiaries	**14,221,892**
Total assets	**$ 632,448,758**

Mary Washington Healthcare and Subsidiaries – Obligated Group

Consolidated Balance Sheets - continued

December 31, 2013

Liabilities and net assets	
Current liabilities	
Accounts payable and accrued expenses	**32,405,345**
Employee compensation and professional fees	**32,594,097**
Interest payable	**541,083**
Current maturities of long-term obligations	**8,194,524**
Total current liabilities	**73,735,049**
Long-term obligations, less current maturities	**282,265,260**
Other liabilities	
Accrued losses on insurance claims	**4,770,323**
Pension liability	**30,371,075**
Other	**39,486**
Total liabilities	**391,181,193**
Net assets	
Unrestricted - general	**223,643,389**
Unrestricted - noncontrolling interest	**78,271**
Temp restricted net assets	**16,287,695**
Perm restricted net assets	**1,258,210**
	241,267,565
Total liabilities and net assets	**$ 632,448,758**

Mary Washington Healthcare and Subsidiaries – Obligated Group

Consolidated Statements of Operations

Year ended December 31, 2013

Revenue and other support	
Net patient service revenue	
Net patient service revenue (net of allowance and discounts)	**$ 522,801,294**
Provision for bad debts	**(50,963,702)**
	471,837,592
Rental of facilities	**7,242,466**
Management and personnel services	**7,305,380**
Investment Income	**2,985,321**
Unrestricted contributions	**427,862**
Other	**10,456,325**
	500,254,946
Expenses	
Salaries and wages	**203,953,410**
Employee benefits	**45,569,795**
Contract personnel	**5,228,482**
Professional fees	**44,027,370**
General and administrative	**13,745,102**
Provision for depreciation and amortization	**35,663,641**
Interest	**13,385,093**
Contract services	**33,864,945**
Supplies	**93,144,772**
Utilities	**5,301,312**
Insurance	**3,454,837**
Rent	**10,706,562**
Other	**3,647,401**
	511,692,722
Loss from operations	**(11,437,776)**
Nonoperating gains	
Net appreciation of investments	**8,539,839**
Gain on disposal of fixed assets	**32,546**
Gain on investments in partnerships and other	**225,656**
Excess of expenses and losses over revenues, gains and other support before equity in earnings of subsidiaries and noncontrolling interest	**(2,639,735)**

Mary Washington Healthcare and Subsidiaries – Obligated Group

Consolidated Statement of Cash Flows

Year ended December 31, 2013

Cash flows from operating activities and nonoperating gains	
Increase in net assets	**$ 27,967,461**
Adjustments to reconcile increase in net assets to net cash provided by operating activities and nonoperating gains	
Net appreciation of investments	**(8,539,839)**
Other nonoperating gains	**(225,656)**
Gain on disposal of fixed assets	**(32,546)**
Provisions for depreciation and amortization	**35,663,641**
Amortization of original issue premiums and discounts	**(647,292)**
Amortization of physician loans receivable	**1,756,545**
Provision for bad debts	**51,035,492**
Change in pension obligation other than net periodic pension cost	**(33,348,688)**
(Increase) decrease in	
Accounts receivable	**(39,697,515)**
Settlements due from third-party programs	**1,062,206**
Inventories	**(527,730)**
Prepaid expenses and other	**(953,991)**
Due from non-obligated affiliates	**2,444,968**
Miscellaneous	**(1,335,827)**
Increase (decrease) in	
Accounts payable and accrued expenses	**(791,777)**
Employee compensation and professional fees	**2,890,467**
Interest payable	**(60,158)**
Insurance claims	**(334,663)**
Pension liability	**2,870,853**
Net cash provided by operating activities and nonoperating gains	**39,195,951**

(continued)

Mary Washington Healthcare and Subsidiaries – Obligated Group

Consolidated Statement of Cash Flows – continued

Year ended December 31, 2013

Cash flows from investing activities	
Change in assets whose use is limited	
Net (increase) decrease in cash and cash equivalents	$ (1,470,093)
Purchases of investments	(66,672,027)
Sales of investments	40,730,211
Payments received on pledges receivable	455,277
Acquisition of property, plant and equipment	(24,234,008)
Disposal of property, plant and equipment, net	1,040,050
Changes in notes receivable	(204,795)
Net cash used in investing activities	(50,355,385)
Cash flows from financing activities	
Proceeds from issuance of long-term obligations	30,405,000
Repayment of long-term obligations	(8,486,718)
Refunding of long-term obligations	(30,000,000)
Decrease in deferred financing costs	(578,559)
Net cash used in financing activities	(8,660,277)
Net decrease in cash and cash equivalents	(19,819,711)
Cash and cash equivalents at beginning of year	54,343,703
Cash and cash equivalents at end of year	$ 34,523,992