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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 04-01-2013 , 2013, and ending 03-31-2014

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

C Name of organization
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Doing Business As

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

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
BOWLING GREEN, KY 42102

D Employer identification number
61-0920842

E Telephone number
(270) 745-1500

G Gross receipts $ 322,763,202

F Name and address of principal officer
CONNIE SMITH
800 PARK STREET
BOWLING GREEN, KY 42102

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 ▶

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

J Website: ▶ WWW MCBG ORG

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

L Year of formation 1977

M State of legal domicile KY

Part I Summary

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

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	2,797
6	Total number of volunteers (estimate if necessary)	**6**	109
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	5,360,707
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-1,266,942

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	90,500	366,681
9	Program service revenue (Part VIII, line 2g)	310,629,865	297,987,428
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,821,931	5,673,773
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	19,825,685	15,206,222
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	334,367,981	319,234,104
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	19,414
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)	129,203,484	130,004,890
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	180,470,153	159,031,978
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	309,673,637	289,056,282
19	Revenue less expenses Subtract line 18 from line 12	24,694,344	30,177,822

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	360,467,385	388,446,767
21	Total liabilities (Part X, line 26)	203,770,583	191,783,153
22	Net assets or fund balances Subtract line 21 from line 20	156,696,802	196,663,614

Part II Signature Block

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

Sign Here

****** — Signature of officer — 2015-02-05 Date

RON SOWELL EVP - CFO — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ANGELA ZIRKELBACH CPA				P00572603

Firm's name ▶ BLUE & CO LLC — Firm's EIN ▶ 35-1178661

Firm's address ▶ ONE AMERICAN SQUARE 2200 INDIANAPOLIS, IN 46282 — Phone no (317) 633-4705

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 CARE FOR PEOPLE AND IMPROVE THE QUALITY OF LIFE IN THE COMMUNITIES WE SERVE

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 $ 138,246,183 including grants of $ 19,414) (Revenue $ 163,196,198)

THE HOSPITAL IS AN ACUTE CARE HOSPITAL ENGAGED IN PROVIDING SERVICE TO INPATIENTS, BY OR UNDER THE SUPERVISION OF PHYSICIANS, DIAGNOSTIC AND THERAPEUTIC SERVICES FOR MEDICAL DIAGNOSIS, TREATMENT, AND CARE OF INJURED, DISABLED OR SICK PERSONS, OR REHABILITATION OF INJURED, DISABLED, OR SICK PERSONS ORGANIZATIONBOWLING GREEN - WARREN COUNTY COMMUNITY HOSPITAL CORPORATION, DBA THE MEDICAL CENTER ("THE MEDICAL CENTER), A KENTUCKY NON-STOCK, NON-PROFIT CORPORATION EXEMPT FROM INCOME TAXES UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986, WAS ESTABLISHED TO ACT AND OPERATE EXCLUSIVELY FOR CHARITABLE PURPOSES SERVING THE LOCAL CITY, COUNTY AND SURROUNDING COUNTIES IN SOUTH-CENTRAL KENTUCKY BEGUN IN 1926, THE MEDICAL CENTER HAS A RICH HERITAGE OF SERVING OUR COMMUNITYS HEALTHCARE NEEDS AND BEING THE LEADER IN PROVIDING QUALITY CARE IN A TECHNOLOGICALLY ADVANCED SETTING THE MEDICAL CENTER IS LICENSED BY THE CABINET FOR HEALTH AND FAMILY SERVICES, COMMONWEALTH OF KENTUCKY, PURSUANT TO IRS CHAPTER 216B AND THE REGULATIONS PROMULGATED THEREUNDER OPERATING WITH CAMPUSES IN BOWLING GREEN, KY AND SCOTTSVILLE, KY, THE MEDICAL CENTER LICENSED BEDS INCLUDE BOWLING GREEN SCOTTSVILLE TOTALACUTE CARE 313 313CRITICAL ACCESS ACUTE 25 25 PSYCHIATRIC 24 24NURSING FACILITY 110 110SUBTOTAL- BEDS 337 135 472 SERVICES THE MEDICAL CENTER IS PRIMARILY ENGAGED IN PROVIDING TO INPATIENTS, BY OR UNDER THE SUPERVISION OF PHYSICIANS, DIAGNOSTIC AND THERAPEUTIC SERVICES FOR MEDICAL DIAGNOSIS, TREATMENT, AND CARE OF INJURED, DISABLED, OR SICK PERSONS, OR REHABILITATION SERVICES FOR THE REHABILITATION OF INJURED, DISABLED, OR SICK PERSONS AS A HOSPITAL, IT MAINTAINS CLINICAL RECORDS ON ALL PATIENTS AND HAS BYLAWS IN EFFECT CONCERNING ITS STAFF OF PHYSICIANS IT REQUIRES THAT EVERY PATIENT MUST BE UNDER THE CARE OF A PHYSICIAN AND PROVIDES 24-HOUR NURSING SERVICE BY OR SUPERVISED BY A REGISTERED PROFESSIONAL NURSE, AND HAS A LICENSED PRACTICAL NURSE OR REGISTERED PROFESSIONAL NURSE ON DUTY AT ALL TIMES IT HAS IN EFFECT A HOSPITAL UTILIZATION REVIEW PLAN AND IS LICENSED OR IS APPROVED BY THE STATE OF KENTUCKY AS MEETING THE STANDARDS ESTABLISHED FOR SUCH LICENSING IT ALSO MEETS OTHER HEALTH AND SAFETY REQUIREMENTS OF THE SECRETARY OF HEALTH AND HUMAN SERVICES SERVICES OFFERED INCLUDE - ACUTE MEDICAL CARE- SKILLED MEDICAL CARE- INTENSIVE/CORONARY CARE- PHARMACY- INVASIVE CARDIOLOGY- PHYSICAL THERAPY- LABORATORY, CLINICAL AND PATHOLOGY- RADIATION MEDICINE (INPATIENT / OUTPATIENT ONCOLOGY)- HOME HEALTH SERVICES- SURGICAL INPATIENT SERVICES- SURGICAL OUTPATIENT SERVICES- EMERGENCY ROOM SERVICES- OUTPATIENT SERVICES- RESPIRATORY THERAPY SERVICES- RADIOLOGY, INCLUDING MAMMOGRAPHY, DIAGNOSTIC X-RAY, NUCLEAR MEDICINE, CAT SCANNING, ULTRASOUND, CARDIOLOGY, POSITRON EMISSION TOMOGRAPHYTHE MEDICAL CENTERS PROFESSIONAL STAFF INCLUDES PHYSICIANS WHO ARE ENGAGED IN THE PRACTICE OF MEDICINE AND WHO REPRESENT MULTIPLE SPECIALTIES, INCLUDING FAMILY PRACTICE AND EMERGENCY CARE THE STAFF ALSO INCLUDES NURSES, PHYSICAL, OCCUPATIONAL, AND SPEECH THERAPISTS, PSYCHOLOGISTS, RESPIRATORY THERAPISTS, NUTRITIONISTS AND OTHERS USING AN INTERDISCIPLINARY TEAM APPROACH, THE STAFF WORK COLLABORATIVELY TO PROVIDE PRIMARY OUTPATIENT CARE, RENDERED IN AN EMERGENCY ROOM AND OUTPATIENT SETTING, AND SECONDARY CARE CONSISTING OF INPATIENT SERVICES OF A GENERAL AND SPECIALIZED NATURE COMMUNITY BENEFIT AND CHARITYAS A HOSPITAL, THE MEDICAL CENTER (1) IS ORGANIZED AS A NONPROFIT CHARITABLE ORGANIZATION FOR THE PURPOSE OF OPERATING AS A HOSPITAL FOR THE CARE OF THE SICK,(2) IS OPERATED FOR THE CARE OF ALL PERSONS IN THE COMMUNITY REGARDLESS OF ABILITY TO PAY THE COST THEREOF, EITHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT,(3) WILL NOT RESTRICT USE OF ITS FACILITIES TO A PARTICULAR GROUP OF PHYSICIANS AND SURGEONS TO THE EXCLUSION OF ALL OTHER QUALIFIED DOCTORS, AND(4) WILL NOT PERMIT ANY OF ITS EARNINGS TO INURE DIRECTLY OR INDIRECTLY TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL THE MEDICAL CENTER PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THEIR ESTABLISHED RATES BECAUSE THE MEDICAL CENTER DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, REVENUE IS NOT RECORDED FOR SUCH SERVICES THE MEDICAL CENTER MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE THEY PROVIDE THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER THEIR CHARITY CARE POLICY OTHER UNCOMPENSATED CARE RELATES PRINCIPALLY TO CONTRACTUAL ALLOWANCES FOR GOVERNMENT PAYERS, DISCOUNTS TAKEN BY COMMERCIAL PAYERS AND BAD DEBTS BENEFITS FOR THE POOR INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES OR WHO ARE UNINSURED THIS INCLUDES TRADITIONAL CHARITY CARE AT STANDARD BILLING RATES AND THE COSTS OF TREATING MEDICAID BENEFICIARIES IN EXCESS OF GOVERNMENT PAYMENTS THE MEDICAL CENTER DOES NOT PURSUE THE COLLECTION OF AMOUNTS DETERMINED TO BE TRADITIONAL CHARITY CARE THEREFORE, THESE AMOUNTS ARE NOT INCLUDED IN NET PATIENT SERVICE REVENUE BENEFITS FOR THE BROADER COMMUNITY INCLUDE SERVICES PROVIDED TO OTHER NEEDY INDIVIDUALS WHO MAY NOT QUALIFY AS INDIGENT BUT WHO NEED SPECIAL SERVICES AND SUPPORT EXAMPLES INCLUDE THE ELDERLY, SUBSTANCE ABUSERS, VICTIMS OF CHILD ABUSE, AND THE DISABLED THEY ALSO INCLUDE THE COST OF HEALTH PROMOTION AND EDUCATION, HEALTH CLINICS AND SCREENINGS, AND THE UNREIMBURSED COST OF MEDICAL TRAINING, WHICH BENEFIT THE BROADER COMMUNITY IN ADDITION TO THE ABOVE, THE MEDICAL CENTER PROVIDES A WIDE RANGE OF COMMUNITY BENEFITS INCLUDING COORDINATION OF CHARITABLE ACTIVITIES BY THE MEDICAL CENTER STAFF AND PROVIDING MEDICAL CENTER SPACE FOR COMMUNITY GROUPS THAT CANNOT BE QUANTIFIED SIGNIFICANT PROGRAM SERVICE ACHIEVEMENTSDAYS OF ACUTE PATIENT CARE (INCLUDING NURSERY) 91,911DAYS OF SKILLED NURSING CARE 39,415BIRTHS 2,355OPEN HEART PROCEDURES 397SURGERIES 13,515EMERGENCY ROOM VISITS 55,268AMBULANCE RUNS 19,784

4b (Code) (Expenses $ 117,065,928 including grants of $) (Revenue $ 138,193,429)

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ▶ 255,312,111

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 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	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI 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		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants 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**		No
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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or 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**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, 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	229		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2,797		
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		Yes	
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		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	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**	12		
	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**	10		
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**			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	**8a**		Yes	
b	Each committee with authority to act on behalf of the governing body?	**8b**		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	**9**			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	**10a**		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	**10b**		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review 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 ▶ KY

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

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

▶ J LARRY VAUGHN 800 PARK STREET
BOWLING GREEN, KY 421029876 (270) 745-1500

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

Check if Schedule O contains a response 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			
(1) ELI JACKSON III DMD CHAIRMAN	1 00 2 00	X		X				0	0	0
(2) DR PAUL COOK VICE CHAIRMAN	1 00 0 00	X		X				0	0	0
(3) JOE NATCHER SECRETARY	1 00 4 00	X		X				0	0	0
(4) CONNIE SMITH DIRECTOR & PRESIDENT/ CEO	35 00 15 00	X		X				0	734,536	13,048
(5) CATHY BISHOP DIRECTOR	1 00 2 00	X		X				0	0	0
(6) DONNA BLACKBURN DIRECTOR	1 00 0 00	X						0	0	0
(7) BOB HOVIOUS DIRECTOR	1 00 4 00	X						0	0	0
(8) JANET JOHNSON DIRECTOR	1 00 0 00	X						0	0	0
(9) TOMMY LOVING DIRECTOR	1 00 2 00	X						0	0	0
(10) KAL SAHETYA MD DIRECTOR	1 00 0 00	X						0	0	0
(11) HUGH SIMS MD DIRECTOR	1 00 0 00	X						0	0	0
(12) DOUG THOMSON MD DIRECTOR	1 00 2 00	X						0	0	0
(13) BARBARA JEAN CHERRY CFO/EXECUTIVE VICE PRESIDENT	5 00 45 00			X				0	451,268	12,942
(14) BETSY KULLMAN CNO/EXECUTIVE VICE PRESIDENT	42 00 8 00			X				0	269,418	18,874
(15) RONALD G SOWELL CFO/EXECUTIVE VICE PRESIDENT	6 00 44 00			X				0	450,707	12,415
(16) SARAH MOORE EXECUTIVE VICE PRESIDENT	42 00 8 00			X				0	256,815	10,499
(17) ERIC HAGAN VP/MEDICAL CTR AT SCOTTSVILLE	25 00 25 00			X				63,281	143,819	14,912

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			
(18) WADE R STONE VICE PRESIDENT	42 00 8 00			X				56,805	154,348	23,788
(19) DAVID REEVES PHARMACY MANAGER	40 00					X		151,179	0	26,892
(20) EDDIE SCOTT DIRECTOR/RADIOLOGY	40 00					X		177,003	0	17,862
(21) LLOYD ASP PSYSICIST	40 00					X		206,485	0	18,036
(22) ROBERT MCCLELLAND DIRECTOR/PHARMACY	40 00					X		162,077	0	27,838
(23) SARAH ROGERS PHYSICIST	40 00					X		154,557	0	13,488

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	971,387	2,460,911	210,594

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 ▶ 41

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SCOTT MURPHY & DANIEL LLC PO BOX 2520 BOWLING GREEN KY 421022520	CONSTRUCTION SERVICES	5,561,533
ARAMARK CORPORATION 12483 COLLECTIONS CENTER DRIVE CHICAGO IL 60693	BIOMEDICAL EQUIPMENT REPAIR SERVICES	3,706,786
MORRISON MANAGEMENT SPECIALIST INC PO BOX 102289 ATLANTA GA 303682289	CAFETERIA SERVICES	3,174,390
LOGANS UNIFORM RENTAL INC PO BOX 643958 CINCINNATI OH 45264	LAUNDRY SERVICES	2,052,914
DISABILITY MEDICAL CONSULTANTS 1131 FAIRWAY STREET BOWLING GREEN KY 42103	PROFESSIONAL SERVICES	1,271,917
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 ▶ 30		

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				
	d	Related organizations . . .	1d				
	e	Government grants (contributions)	1e	38,555			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	328,126			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		366,681			
Program Service Revenue			Business Code				
	2a	INPATIENT SERVICES	621110	161,353,978	161,353,978		
	b	OUTPATIENT SERVICES	621400	136,633,450	136,633,450		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		297,987,428			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		3,134,708			3,134,708
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	2,825,661				
	b	Less rental expenses	3,303,668				
	c	Rental income or (loss)	-478,007				
	d	Net rental income or (loss) . . . . . ▶		-478,007			-478,007
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	2,764,495				
	b	Less cost or other basis and sales expenses	225,430				
	c	Gain or (loss)	2,539,065				
	d	Net gain or (loss) . . . . . ▶		2,539,065			2,539,065
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	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	RETAIL PHARMACY SALES	446110	7,993,554		2,142,136	5,851,418
	b	AFFILIATE INCOME	900099	6,229,165	5,969,860	259,305	
	c	MEDICAL EQUIPMENT SALES	453000	4,417,843	1,458,577	2,959,266	
	d	All other revenue		-2,956,333	-4,026,238		1,069,905
	e	**Total.** Add lines 11a–11d . . . . . ▶		15,684,229			
	12	**Total revenue.** See Instructions . . . . . ▶		319,234,104	301,389,627	5,360,707	12,117,089

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				
2 Grants and other assistance to individuals in the United States See Part IV, line 22	19,414	19,414		
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	851,301	807,418	43,883	
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	92,678,450	87,944,886	4,733,564	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	7,800,074	7,394,392	405,682	
9 Other employee benefits	21,812,522	20,677,939	1,134,583	
10 Payroll taxes	6,862,543	6,505,271	357,272	
11 Fees for services (non-employees)				
a Management	12,951,600		12,951,600	
b Legal	688,051	36,527	651,524	
c Accounting	171,970		171,970	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	23,980,628	23,980,628		
12 Advertising and promotion	706,634	160,768	545,866	
13 Office expenses	17,734,969	13,603,273	4,131,696	
14 Information technology	3,954,215	3,954,215		
15 Royalties . .				
16 Occupancy	4,165,211	3,703,076	462,135	
17 Travel	1,073,040	1,010,291	62,749	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	4,237,241	3,430,788	806,453	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,930,929	10,459,308	2,471,621	
23 Insurance	2,279,773	2,149,746	130,027	
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 MEDICAL SUPPLIES	65,348,503	65,250,550	97,953	
b PHYSICIAN EXPENSE	4,265,060	0	4,265,060	
c OTHER TAXES AND LICENSE	4,041,949	4,041,949		
d RECRUITING FEES	221,711	38,598	183,113	
e All other expenses	280,494	143,074	137,420	
25 **Total functional expenses.** Add lines 1 through 24e	289,056,282	255,312,111	33,744,171	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ 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		10,653,784	1	13,200,955
	2	Savings and temporary cash investments		143,605,778	2	177,673,036
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		38,569,657	4	40,638,621
	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			7	
	8	Inventories for sale or use		7,394,874	8	8,386,557
	9	Prepaid expenses and deferred charges		9,890,941	9	9,207,165
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 319,800,628			
	b	Less accumulated depreciation	10b 211,124,662	110,137,222	10c	108,675,966
	11	Investments—publicly traded securities		26,090,976	11	19,215,577
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		2,790,889	13	2,841,577
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		11,333,264	15	8,607,313
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		360,467,385	16	388,446,767
Liabilities	17	Accounts payable and accrued expenses		39,577,066	17	33,474,622
	18	Grants payable			18	
	19	Deferred revenue		1,136,412	19	1,246,249
	20	Tax-exempt bond liabilities		107,075,000	20	110,926,442
	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		4,437,843	23	3,452,065
	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		51,544,262	25	42,683,775
	26	**Total liabilities.** Add lines 17 through 25		203,770,583	26	191,783,153
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		155,165,832	27	195,031,067
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets		1,530,970	29	1,632,547
		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		156,696,802	33	196,663,614
	34	Total liabilities and net assets/fund balances		360,467,385	34	388,446,767

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	319,234,104
2	Total expenses (must equal Part IX, column (A), line 25)	2	289,056,282
3	Revenue less expenses Subtract line 2 from line 1	3	30,177,822
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	156,696,802
5	Net unrealized gains (losses) on investments	5	2,874,618
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	6,914,372
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	196,663,614

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		

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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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

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

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

1 ☐ A church, convention of churches, or association of churches 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	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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

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

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

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

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

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

Name of the organization	Employer identification number
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION	61-0920842

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period — Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

	For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		16,205
j	Total Add lines 1c through 1i			16,205
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Return Reference	Explanation
PART II-B, LINE 1	LOBBYING EXPENSES SCHEDULE C, PART II-B, LINE 11 THE CORPORATION IS A MEMBER OF THE KENTUCKY HOSPITAL ASSOCIATION THE PORTION OF THE DUES PAID WHICH ARE ATTRIBUTABLE TO LOBBYING TOTAL $16,205

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	149,275,587	133,305,497	117,185,927	88,386,125	71,881,958
b	Contributions	35,537,621	16,715,019	19,894,588	27,352,333	6,761,029
c	Net investment earnings, gains, and losses	7,776,408	4,113,651	3,520,098	4,772,379	9,206,992
d	Grants or scholarships					
e	Other expenditures for facilities and programs	6,180,689	4,455,656	6,991,557	3,149,367	-713,721
f	Administrative expenses	460,951	402,824	303,559	175,543	177,575
g	End of year balance	185,947,976	149,275,687	133,305,497	117,185,927	88,386,125

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

- a Board designated or quasi-endowment ▶ 99 150 %
- b Permanent endowment ▶ 0 850 %
- c Temporarily restricted endowment ▶

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

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

		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		10,453,229		10,453,229
b Buildings		159,492,653	86,503,869	72,988,784
c Leasehold improvements				
d Equipment		149,726,534	124,620,793	25,105,741
e Other		128,212		128,212
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				108,675,966

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	
AMOUNTS DUE AFFILIATED COMPANIES	1,639,698
LONG-TERM PL / GL LIBILITY	4,092,121
ACCRUED RETIREMENT	36,951,956
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	42,683,775

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	324,761,070
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	2,874,618		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	-651,320		
e	Add lines **2a** through **2d**			2e	2,223,298
3	Subtract line **2e** from line **1**			3	322,537,772
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	-3,303,668		
c	Add lines **4a** and **4b**			4c	-3,303,668
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	319,234,104

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	292,359,950
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	3,303,668		
e	Add lines **2a** through **2d**			2e	3,303,668
3	Subtract line **2e** from line **1**			3	289,056,282
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	0
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	289,056,282

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 MEDICAL CENTERS ENDOWMENT CONSISTS OF FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES THE ENDOWMENT INCLUDES BOTH DONOR-RESTRICTED ENDOWMENT FUNDS AND FUNDS DESIGNATED BY THE BOARD OF DIRECTORS TO FUNCTION AS ENDOWMENTS (BOARD-DESIGNATED ENDOWMENT FUNDS) AS REQUIRED BY GAAP, NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS, INCLUDING BOARD-DESIGNATED ENDOWMENT FUNDS, ARE CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR-IMPOSED RESTRICTIONS UNRESTRICTED NET ASSETS INCLUDED $165,245,877 OF BOARD-DESIGNATED ENDOWMENT FUNDS FOR FUTURE CAPITAL IMPROVEMENTS AND OTHER PURPOSES AS DETERMINED BY THE BOARD OF DIRECTORS PERMANENTLY RESTRICTED NET ASSETS INCLUDED $1,632,547 OF DONOR-RESTRICTED ENDOWMENT FUNDS
PART X, LINE 2	MOST OF THE INCOME RECEIVED BY THE MEDICAL CENTER IS EXEMPT FROM TAXATION UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE SOME OF ITS INCOME IS SUBJECT TO TAXATION AS UNRELATED BUSINESS INCOME THE MEDICAL CENTER FILES FEDERAL INCOME TAX RETURNS, AS WELL AS AN INCOME TAX RETURN IN KENTUCKY THE MEDICAL CENTER IS NO LONGER SUBJECT TO U S FEDERAL INCOME TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS BEFORE 2010 FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION TOPIC 740 CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN A COMPANYS FINANCIAL STATEMENTS AND PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN, OR EXPECTED TO BE TAKEN IN A TAX RETURN TOPIC 740 ALSO PROVIDES GUIDANCE ON DESCRIPTION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE AND TRANSITION THE MEDICAL CENTER DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS RECOGNIZED FOR 2013 OR 2012 THE MEDICAL CENTERS PRACTICE IS TO RECOGNIZE INTEREST AND/OR PENALTIES RELATED TO INCOME TAX MATTERS IN INCOME TAX EXPENSE
PART XI, LINE 2D - OTHER ADJUSTMENTS	CHANGE IN FMV OF INTEREST RATE SWAP -651,320
PART XI, LINE 4B - OTHER ADJUSTMENTS	RENTAL EXPENSES -3,303,668
PART XII, LINE 2D - OTHER ADJUSTMENTS	RENTAL EXPENSES 3,303,668

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ 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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

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	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
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	3b		No
	☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
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)	2	6,566	14,839,467	3,841,309	10,998,158	3 800 %
b Medicaid (from Worksheet 3, column a)	2		39,534,860	32,828,918	6,705,942	2 320 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	4	6,566	54,374,327	36,670,227	17,704,100	6 120 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	320	43,430	3,322,050		3,322,050	1 150 %
f Health professions education (from Worksheet 5)	9	848	4,473,457		4,473,457	1 550 %
g Subsidized health services (from Worksheet 6)	2	19,439	14,123,691	8,430,994	5,692,697	1 970 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	218		54,514		54,514	0 020 %
j **Total.** Other Benefits	549	63,717	21,973,712	8,430,994	13,542,718	4 690 %
k **Total.** Add lines 7d and 7j	553	70,283	76,348,039	45,101,221	31,246,818	10 810 %

Part II Community Building Activities Complete this 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	6		2,240		2,240	0 %
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members	3	3	21,411		21,411	0 010 %
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development	3		417,395		417,395	0 140 %
9	Other	1		3,250		3,250	0 %
10	**Total**	13	3	444,296		444,296	0 150 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	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	21,264,955		
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	1,504,001		
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	119,323,548
6	Enter Medicare allowable costs of care relating to payments on line 5	6	133,516,988
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	-14,193,440
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					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 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 THE MEDICAL CENTER BOWLING GREEN

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 12			
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) MCBG ORG/ABOUTUS/COMMUNITY_HEALTH_NEEDS_A			
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		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used			
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 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 THE MEDICAL CENTER AT SCOTTSVILLE

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 12			
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) MCBG ORG/ABOUTUS/COMMUNITY_HEALTH_NEEDS_A			
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		No
If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used			
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
See Additional Data Table	

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? 1

	Name and address	Type of Facility (describe)
1	THE MEDICAL CENTER HEALTH & WELLNESS CEN 1857 TUCKER WAY BOWLING GREEN, KY 42104	COMMUNITY WELLNESS CENTER
2		
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, LINE 3C	THE INCOME LIMIT FOR CHARITY CARE IS 200% OF THE FEDERAL POVERTY LEVEL DISCOUNTS ARE PROVIDED TO ALL PATIENTS WHO ARE UNINSURED WHOSE INCOME EXCEEDS THE LIMITS TO QUALIFY FOR CHARITY CARE SELF-PAY DISCOUNTS ARE NOT LIMITED BASED ON INCOME THE HOSPITAL ALSO PROVIDES PAYMENT PLANS FOR SELF-PAY PATIENTS

Form and Line Reference	Explanation
PART I, LINE 7	THE AMOUNTS REPORTED ON LINE 7G ARE DETERMINED BY MULTIPLYING REVENUE BY THE MEDICARE COST TO CHARGE RATIO BAD DEBTS ARE DIRECTLY REMOVED FROM PATIENT SERVICE REVENUE, THE AMOUNT REMOVED FROM INPATIENT AND OUTPATIENT REVENUE TOTALED $21,264,955 COST OF CHARITY CARE WAS CALCULATED WITH A COST TO CHARGE RATIO USING WORKSHEET 2 THE COSTS RELATED TO MEDICAID PATIENTS WAS DETERMINED USING THE HOSPITAL COST ACCOUNTING SYSTEM FOR SUBSIDIZED SERVICES THE HOSPITALS COST ACCOUNTING SYSTEM IS USED TO DETERMINE COSTS RELATED TO THE SPECIFIC SERVICE EXCLUDING TRADITIONAL MEDICAID AND MEDICAID MANAGED PATIENTS COSTS FOR CHARITY AND BAD DEBT ACCOUNTS ARE DEDUCTED USING A RATIO OF COST TO CHARGE SPECIFIC TO THAT SUBSIDIZED SERVICE COSTS FOR OTHER PROGRAMS REFLECT THE DIRECT AND INDIRECT COSTS OF PROVIDING THOSE PROGRAMS

Form and Line Reference	Explanation
PART II, COMMUNITY BUILDING ACTIVITIES	COMMUNITY BUILDING ACTIVITIES INCLUDE PARTICIPATION IN THE CHAMBER OF COMMERCE, DOWNTOWN REDEVELOPMENT AND LEADERSHIP BOWLING GREEN

Form and Line Reference	Explanation
PART III, LINE 2	THE ORGANIZATIONS AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE THE HOSPITAL ELECTED TO EARLY ADOPT ASU 2011-07 ACCORDINGLY, BAD DEBT EXPENSE IS REFLECTED AS A DEDUCTION FROM REVENUE RATHER THAN AN OPERATING EXPENSES FOR FINANCIAL REPORTING PURPOSES

Form and Line Reference	Explanation
PART III, LINE 3	CHARITY IS RECOGNIZED FOR PATIENTS WHO DO NOT HAVE THE ABILITY TO PAY FOR SERVICES RECEIVED THE HOSPITAL USES A STANDARD OF 200% OF THE FEDERAL POVERTY GUIDELINES FOR QUALIFYING PATIENTS WHO ARE UNABLE TO PAY THE GROSS CHARGES ARE CONVERTED TO COSTS USING THE HOSPITAL'S COST TO CHARGE RATIO

Form and Line Reference	Explanation
PART III, LINE 8	COSTS REPORTED ON LINE 6 ARE OBTAINED FROM THE MEDICARE COST REPORT WHICH ARE BASED ON A COST TO CHARGE RATIO

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

Form and Line Reference	Explanation
PART VI, LINE 2	THE MEDICAL CENTER IS BUILT UPON THE FOUNDATION OF SERVING OUR COMMUNITY, DAY IN AND DAY OUT, WITH QUALITY DEPENDABLE HEALTHCARE A COMMUNITY HEALTH NEEDS ASSESSMENT WAS COMPLETED AS PART OF A COMMUNITY EFFORT LED BY THE BARREN RIVER DISTRICT HEALTH DEPARTMENT WHO COORDINATED THE EFFORTS OF MULTIPLE INTERESTED PARTIES AS NEEDS ARISE IN THE COMMUNITY AND SURROUNDING COUNTIES, THE MEDICAL CENTER RESPONDS THE MEDICAL CENTER IS PART OF AN INTEGRATED HEALTHCARE DELIVERY SYSTEM AS DESCRIBED IN QUESTION 6 BELOW THE MULTIPLE FACILITIES INCLUDING THE COMMONWEALTH HEALTH FREE CLINIC ARE EVIDENCE OF THE MEDICAL CENTERS COMMITMENT TO RESPONDING TO HEALTH NEEDS IN OUR COMMUNITY AND THE SURROUNDING RURAL COUNTIES

Form and Line Reference	Explanation
PART VI, LINE 3	UPON REGISTRATION, PATIENTS ARE PROVIDED A PATIENT HANDBOOK WHICH CONTAINS INFORMATION REGARDING FINANCIAL ASSISTANCE ADDITIONALLY, SIGNAGE AND BROCHURES DESCRIBING FINANCIAL ASSISTANCE POLICIES ARE AVAILABLE AT ADMISSIONS AREAS EACH PATIENT WILL RECEIVE A STATEMENTREFERRED TO AS A FIRST NOTICE THE FIRST NOTICE STATES THAT IT IS NOT A BILL, BUT IT IS SUMMARY OF THE PATIENTS CHARGES THIS NOTICE AND EACH SUBSEQUENT STATEMENT CONTAINS INFORMATION CONCERNING FINANCIAL ASSISTANCE AS WELL AS CONTACT INFORMATION FOR QUESTIONS THE MEDICAL CENTER ALSO MAINTAINS A WEBSITE FOR BILLING AND COLLECTIONS QUESTIONS FINANCIAL ASSISTANCE POLICIES ARE POSTED TO THIS WEBSITE AS WELL AS FREQUENTLY ASKED QUESTIONS REGARDING BILLINGS

Form and Line Reference	Explanation
PART VI, LINE 4	BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION(THE MEDICAL CENTER) IS DESIGNATED AS A REGIONAL REFERRAL CENTER BY THE BARREN RIVER REGIONAL HEALTH PLANNING COUNCIL, AN AGENCY OF THE COMMONWEALTH OF KENTUCKY THE MEDICAL CENTER SERVES PATIENTS THROUGHOUT AN AREA COMPRISING TEN COUNTIES, CALLED THE BARREN RIVER AREA DEVELOPMENT DISTRICT (THE DISTRICT), IN SOUTH CENTRAL KENTUCKY THE POPULATION OF THE MEDICAL CENTERS PRIMARY SERVICE AREA IS APPROXIMATELY 286,000 PEOPLE THE COMMUNITY IS GROWING AND WE ALSO SERVE A GROWING UNINSURED AND UNDERINSURED POPULATION THERE ARE TWO ACUTE CARE HOSPITALS IN THE COMMUNITY THE PERCENTAGE OF UNINSURED PERSONS IN THE COUNTIES SERVED BY THE MEDICAL CENTER RANGE FROM 18% TO 24%, WHICH IS HIGHER THAN THE KENTUCKY AVERAGE THE NUMBER OF RESIDENTS IN THE DISTRICT IN HOUSEHOLDS BELOW THE FEDERAL POVERTY GUIDELINES VARY BY COUNTY AND RANGE FROM 16 1% TO 26 7% COMPARED TO THE KENTUCKY POVERTY RATE OF 18 6% THE THREE HIGHEST POPULATED COUNTIES IN THE DISTRICT ARE WARREN, BARREN AND ALLEN WHOSE AVERAGE MEDIAN HOUSEHOLD INCOME IS $43,509, $37,587 AND $36,123 RESPECTIVELY, AS OF THE PERIOD 2008- 2012 THE PERCENTAGE OF THE POPULATION, AS OF 2013, IN THE THREE HIGHEST POPULATED COUNTIES WHO ARE OVER 65 YEARS OLD IS APPROXIMATELY 18 9%, 19 9%, AND 19 7% ACCORDING TO THE EVERYBODY SURVEY CONDUCTED BY THE BARREN RIVER DISTRICT HEALTH DEPARTMENT, THE MOST SERIOUS HEALTH PROBLEMS IN THE COMMUNITY ARE OBESITY, ALCOHOL AND DRUG ABUSE, NOT ENOUGH PHYSICAL ACTIVITY, TOBACCO USE AND POOR DIET

Form and Line Reference	Explanation
PART VI, LINE 6	BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION("THE MEDICAL CENTER) IS OWNED A ND CONTROLLED BY COMMONWEALTH HEALTH CORPORATION ("CHC") - CHC HAS BEEN DETERMINED TO BE A PUBLICLY SUPPORTED ORGANIZATION DESCRIBED IN SECTION 509(A) (2) OF THE CODE AND A CHARITA BLE ORGANIZATION AS DESCRIBED IN SECTION 501 (C) (3) OF THE CODE AND IS EXEMPT FROM FEDERA L INCOME TAXATION BY VIRTUE OF SECTIONS 501(A) AND 501(C)(3) OF THE CODE THE BOWLING GREE N WARREN COUNTY COMMUNITY HOSPITAL CORPORATION IS A NON-STOCK, NON PROFIT KENTUCKY CORPORA TION, UNDER THE NAME " THE MEDICAL CENTER" OR "THE MEDICAL CENTER AT BOWLING GREEN" AND, S INCE OCTOBER 1996, A HOSPITAL AND NURSING HOME FACILITY IN SCOTTSVILLE, KENTUCKY, UNDER TH E NAME "THE MEDICAL CENTER AT SCOTTSVILLE "THE MEDICAL CENTER AT BOWLING GREEN BOWLING GRE EN WARREN COUNTY COMMUNITY HOSPITAL'S BOWLING GREEN FACILITY IS A GENERAL ACUTE CARE HOSPI TAL LICENSED FOR 337 BEDS IN 1980, THE BOWLING GREEN FACILITY MOVED INTO A NEW, SIX-STORY , STATE-OF-THE-ART FACILITY, OCCUPYING 298,000 SQUARE FEET ON A 17-ACRE CAMPUS SINCE 1980 , BECAUSE OF AN EXPANDING DEMAND FOR OUTPATIENT SERVICES, SEVERAL ADDITIONS TO THE BOWLING GREEN FACILITY HAVE BEEN MADE AND BOTH CLINICAL AND PATIENT AREAS HAVE BEEN RENOVATED AND MODERNIZED TODAY, THE CAMPUS INCLUDEDS 56 ACRES AND THE BUILDINGS ON THE CAMPUS CONTAIN A TOTAL OF APPROXIMATELY 462,000 SQUARE FEET OF SPACE IN ADDITION, THE HOSPITAL OPERATES T HE WHOLLY OWNED MEDICAL CENTER EMS, LLC WHICH PROVIDES THE ONLY EMERGENCY MEDICAL SERVICE IN WARREN COUNTY THE HOSPITAL IS ALSO A 50% PARTNER WITH ANOTHER NONPROFIT IN OPERATING T HE NON-PROFIT BARREN RIVER REGIONAL CANCER CENTER, INC , AN OUTPATIENT ONCOLOGY CENTER LOC ATED IN GLASGOW, KENTUCKY THE MEDICAL CENTER AT SCOTTSVILLE TO MORE FULLY SERVE THE HEALTH NEEDS OF SOUTH CENTRAL KENTUCKY, THE MEDICAL CENTER MERGED IN OCTOBER 1996 WITH AN AFFILI ATED ENTITY, HEALTH ENDOWMENT PROPERTIES A-C, INC , A KENTUCKY NON-STOCK, NONPROFIT CORPOR ATION, WHICH OWNED AND OPERATED THE MEDICAL CENTER AT SCOTTSVILLE (THE "SCOTTSVILLE FACILI TY) THE SCOTTSVILLE FACILITY OPENED IN 1996 AND IS COMPRISED OF A 25BED CRITICAL ACCESS HO SPITAL AND 110 NURSING CARE BEDS THESE BEDS ARE LOCATED IN AN 85,000 SQUARE FOOT BUILDING ON APPROXIMATELY 13 ACRES OF LAND IN ALLEN COUNTY, NEAR SCOTTSVILLE, KENTUCKY COMMONWEALT H HEALTH CORPORATION CHC IS A HOLDING COMPANY FOR A TOTAL OF THIRTEEN FOR-PROFIT AND NONPR OFIT CORPORATIONS AND PARTNERSHIPS (COLLECTIVELY, THE "AFFILIATES) ENGAGED IN VARIOUS ASPE CTS OF THE HEALTHCARE INDUSTRY CHC HAS ESTABLISHED VARIOUS DIVISIONS FOR ITS OPERATIONS, INCLUDING (1) BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION ("THE MEDICAL CEN TER), (2) COMMONWEALTH HEALTH FREE CLINIC, INC , (3) THE MEDICAL CENTER AT FRANKLIN, INC , (4)COMMONWEALTH REGIONAL SPECIALTY HOSPITAL, INC , AND (5) VARIOUS FOR-PROFIT CORPORATION S AND PARTNERSHIPS CHC OWNS AND OPERATES NINE PHYSICIAN PRACTICES EMPLOYING GENERAL PRACTI TIONERS, CARDIAC SURGEONS, VASCULAR SURGEONS, NEUROSURGEONS, NEUROLOGISTS, OBSTETRIC/GYNEC OLOGISTS, HOSPITALISTS, AN OTOLARYNGOLOGIST AND PSYCHIATRISTS CHC HAS ACQUIRED THE PHYSIC IAN PRACTICES IN ORDER TO ATTRACT AND RETAIN HIGHLY SKILLED PHYSICIANS IN SPECIALTIES THAT SUPPORTTHE MISSION OF CHC AND ITS AFFILIATES IN ADDITION, CHC OPERATES AND PROVIDES VARI OUS CORPORATE SUPPORT SERVICES INCLUDING PATIENT BILLING, COLLECTIONS, ACCOUNTING, MATERIA LS MANAGEMENT, ENGINEERING, SECURITY, HUMAN RESOURCES, INFORMATION SYSTEMS, AND ADMINISTRA TIVE SUPPORT SINCE 1990, CHCS WHOLLY-OWNED CENTERCARE HEALTH BENEFITS PROGRAM ("CENTERCARE), A PREFERRED PROVIDER ORGANIZATION (PPO), HAS ASSISTED EMPLOYERS IN MANAGING THE RISING COST OF THEIR HEALTHCARE THE PPO OFFERS EMPLOYER GROUPS AND PAYORS IN THIS REGION AND ACR OSS KENTUCKY A COMPREHENSIVE NETWORK OF PHYSICIANS AND FACILITIES WITH GREATER COST SAVING S POTENTIAL THAN OTHER NATIONAL ORGANIZATIONS TODAY, CENTERCARE SERVES AS THE LOCAL, REGI ONAL OR STATEWIDE NETWORK FOR VARIOUS MANAGED CARE ORGANIZATIONS FOR THEIR COMMERCIAL, MED ICARE AND/OR MEDICAID MEMBERSHIP CENTER CARE PRESENTLY HAS OVER 450,000 MEMBERS BY PROVID ING ACCESS TO OVER 19,000 PROVIDERS IN KENTUCKY, TENNESSEE, INDIANA, OHIO, AND ILLINOIS SI NCE 2008, CHC HAS BEEN THE SOLE OWNER OF BLUEGRASS OUTPATIENT CENTER OF BOWLING GREEN, LLC ("BLUEGRASS) BLUEGRASS PROVIDES COMPREHENSIVE REHABILITATION THERAPY SERVICES CHCS FOR- PROFIT ACTIVITIES INCLUDE URGENTCARE OF BOWLING GREEN, INC ("URGENTCARE) URGENTCARE IS A WHOLLY-OWNED CORPORATION WHICH SERVES AS A 50% OWNER IN A PRIMARY CARE CENTER COMMONWEAL TH HEALTH FREE CLINIC, INC COMMONWEALTH HEALTH FREE CLINIC, INC ("CHFC) WAS ORGANIZED TO OPERATE A CLINIC, WHICH PROVIDES BASIC MEDICAL AND DENTAL DIAGNOSTIC AND TREATMENT SERVIC ES FOR CHARITABLE PURPOSES FOR THOSE INDIVIDUALS WHO HAVE DONE THEIR BEST TO STAY IN THE W ORK FORCE BUT DO NOT HAVE INSURANCE OR ANY FORM OF SOCIAL ASSISTANCE AND DO NOT HAVE THE M EANS TO PAY FOR THEIR HEALTHCARE CHFC OFFERS SERV

Form and Line Reference	Explanation
PART VI, LINE 6	ICES INCLUDING NON-EMERGENCY CLINICAL SERVICES,DENTISTRY, COMMUNITY HEALTH EDUCATION AND COUNSELING, DISEASE/CONDITION SPECIFIC EDUCATION AND COUNSELING IN ADDITION, THE DENTAL P ROGRAM HAS BEEN EXPANDED TO INCLUDE INDIVIDUALS WITH INCOME AT OR BELOW 225% OF FEDERAL PO VERTY GUIDELINES THE MEDICAL CENTER AT FRANKLIN, INC ("MCF) OPERATES A HOSPITAL IN THE CO MMUNITY OF FRANKLIN, SIMPSON COUNTY, KENTUCKY THIS LOCATION IS JUST 20 MILES FROM THE MED ICAL CENTERS BOWLING GREEN CAMPUS MCF IS A MEDICARE DESIGNATED CRITICAL ACCESS HOSPITAL O FFERING ACUTE CARE INPATIENT AND OUTPATIENT PROGRAMS IN ITS 25 BED ACUTE CARE FACILITY COM MONWEALTH REGIONAL SPECIALTY HOSPITAL, INC COMMONWEALTH REGIONAL SPECIALTY HOSPITAL IS A LONG-TERM ACUTE CARE HOSPITAL THAT OPERATES AS A HOSPITAL WITHIN A HOSPITAL BY LEASING 28 BEDS FROM THE MEDICAL CENTER ON THE MEDICAL CENTERS BOWLING GREEN CAMPUS IT IS AN ACUTE C ARE HOSPITAL FOR THOSE PATIENTS REQUIRING AN EXTENDED HOSPITAL STAY (ANTICIPATED LENGTH OF STAY BETWEEN 18-35 DAYS) AND GENERALLY HAVING COMPLEX OR CHRONIC MEDICAL CONDITIONS COMMO NWEALTH HEALTH FOUNDATION, INC CHC ENDORSED THE ESTABLISHMENT OF COMMONWEALTH HEALTH FOUN DATION ("THE FOUNDATION) FOR THE PURPOSE OF FOSTERING, SUPPORTING AND INITIATING ACTIVITIE S FOR THE ADVANCEMENT OF THE HEALTH CARE OBJECTIVES OF CHC AND THE MEDICAL CENTER AND/OR A FFILIATED NON-PROFIT 501(C) (3) ORGANIZATIONS THE CHAIRMAN OF CHCS BOARD OF DIRECTORS OR HIS/HER DESIGNEE, CHCSPRESIDENT AND CEO, AND THE CHIEF FINANCIAL OFFICER OF THE MEDICAL CE NTER SERVE AS EX OFFICIO DIRECTORS OF THE FOUNDATION THEY ALL THREE ARE COUNTED FOR QUORU M PURPOSES AND HAVE THE RIGHTS AND PRIVILEGES OF OTHER DIRECTORS INCLUDING THE RIGHT TO VO TE ON ALL MATTERS PROPERLY BEFORE THE BOARD

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

Additional Data

Software ID:
Software Version:
EIN: 61-0920842
Name: BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

990 Schedule H, Supplemental Information

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
THE MEDICAL CENTER, BOWLING GREEN	
THE MEDICAL CENTER, BOWLING GREEN	PART V, SECTION B, LINE 4 THE MEDICAL CENTER IS PART OF AN INTEGRATED HEALTHCARE DELIVERY SYSTEM AS DESCRIBED IN QUESTION 6 BELOW THE MULTIPLE FACILITIES INCLUDING THE COMMONWEAL TH HEALTH FREE CLINIC ARE EVIDENCE OF THE MEDICAL CENTER'S COMMITMENT TO RESPONDING TO HEA LTH NEEDS IN OUR COMMUNITY AND THE SURROUNDING RURAL COUNTIES
THE MEDICAL CENTER, BOWLING GREEN	PART V, SECTION B, LINE 20D THE HOSPITAL WROTE OFF 100% OF CHARGES TO FAP - ELIGIBLE INDIVIDUALS
THE MEDICAL CENTER AT SCOTTSVILLE	PART V, SECTION B, LINE 20D THE HOSPITAL WROTE OFF 100% OF CHARGES TO FAP - ELIGIBLE INDIVIDUALS

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

Part I General Information on Grants and Assistance

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

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. 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

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
(1) SCHOLARSHIPS	2	9,122			

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

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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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
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**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in 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 4B	CERTAIN EXECUTIVES OF COMMONWEALTH HEATH CORPORATION PARTICIPATE IN A SUPPLEMENTAL RETIREMENT PLAN THE CURRENT YEAR INCREASE IN THE ACCRUED BENEFIT, AS ACTUARIALLY DETERMINED, IS REPORTED AS COMPENSATION THE FOLLOWING ARE THE INDIVIDUALS PARTICIPATING IN THE PLAN AND THE CURRENT YEAR INCREASES REPORTED AS COMPENSATION CONNIE SMITH $139,502 RONALD SOWELL $48,742 JEAN CHERRY $47,711

Additional Data

Software ID:

Software Version:

EIN: 61-0920842

Name: BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

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				
CONNIE SMITH DIRECTOR & PRESIDENT/ CEO	(I) (II)	0 565,161	0 0	0 169,375	0 0	0 13,048	0 747,584	0 0
BARBARA JEAN CHERRY CFO/EXECUTIVE VICE PRESIDENT	(I) (II)	0 396,387	0 0	0 54,881	0 0	0 12,942	0 464,210	0 0
BETSY KULLMAN CNO/EXECUTIVE VICE PRESIDENT	(I) (II)	0 262,764	0 0	0 6,654	0 0	0 18,874	0 288,292	0 0
RONALD G SOWELL CFO/EXECUTIVE VICE PRESIDENT	(I) (II)	0 395,616	0 0	0 55,091	0 0	0 12,415	0 463,122	0 0
SARAH MOORE EXECUTIVE VICE PRESIDENT	(I) (II)	0 250,338	0 0	0 6,477	0 0	0 10,499	0 267,314	0 0
ERIC HAGAN VP/MEDICAL CTR AT SCOTTSVILLE	(I) (II)	62,902 141,305	0 0	379 2,514	0 0	5,998 8,914	69,279 152,733	0 0
WADE R STONE VICE PRESIDENT	(I) (II)	56,205 152,609	0 0	600 1,739	0 0	4,868 18,920	61,673 173,268	0 0
DAVID REEVES PHARMACY MANAGER	(I) (II)	146,283 0	0 0	4,896 0	0 0	26,892 0	178,071 0	0 0
EDDIE SCOTT DIRECTOR/RADIOLOGY	(I) (II)	163,153 0	0 0	13,850 0	0 0	17,862 0	194,865 0	0 0
LLOYD ASP PSYSICIST	(I) (II)	201,835 0	0 0	4,650 0	0 0	18,036 0	224,521 0	0 0
ROBERT MCCLELLAND DIRECTOR/PHARMACY	(I) (II)	161,066 0	0 0	1,011 0	0 0	27,838 0	189,915 0	0 0
SARAH ROGERS PHYSICIST	(I) (II)	153,722 0	0 0	835 0	0 0	13,488 0	168,045 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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	COUNTY OF WARREN KENTUCKY	61-6000710	934864AA7	03-20-2008	77,010,000	SEE PART V		X		X		X
B	COUNTY OF WARREN KENTUCKY	61-6000710	934860BT3	03-15-2007	30,885,000	SEE PART V		X		X		X
C	COUNTY OF WARREN KENTUCKY	61-6000710		08-01-2012	44,126,651	SEE PART V		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				
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X			X		X		
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	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?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 040 %						
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 ▶		0 070 %		0 040 %				
6	Total of lines 4 and 5		0 110 %		0 040 %				
7	Does the bond issue meet the private security or payment test?		X		X		X		
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X			X		

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X		X		X		
b	Exception to rebate?		X		X		X		
c	No rebate due?	X		X			X		
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X			X		X		
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			X		X		
b	Name of provider	DEUTCHE BANK							
c	Term of hedge	30 000000000000							
d	Was the hedge superintegrated?		X						
e	Was the hedge terminated?		X						

Part IV Arbitrage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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		

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

Return Reference	Explanation
SCH K, PART 1, LINE A, COLUMN F	BOND A - DESCRIPTION OF PURPOSE TO (1) REFUND THE OUTSTANDING PRINCIPAL AMOUNT OF THE ISSUERS HOSPITAL REVENUE BONDS, SERIES 1998 (BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION) ISSUED ON JANUARY 15, 1998, (2) FINANCE THE COSTS OF MAJOR FACILITY ADDITIONS, INTERIOR RENOVATIONS, EQUIPMENT, AND FURNISHINGS AND SITE DEVELOPMENT AT THE MEDICAL CENTER AT BOWLING GREEN, (3) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS, (4) FUND INTEREST ON THE BONDS AND (5) PAY COSTS OF ISSUING THE BONDS
SCH K, PART 1, LINE B, COLUMN F	BOND B - DESCRIPTION OF PURPOSE TO (1) CURRENTLY REFUND VARIABLE RATE DEMAND HOSPITAL REVENUE BONDS, SERIES 2001 (BOWLING GREEN-WARREN COUNTY COMMUNITY HOSPITAL CORPORATION PROJECT) THAT WERE ISSUED ON AUGUST 2, 2001, (2> FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS, AND (3) PAY COSTS OF ISSUING THE BONDS BONDS, AND (3) PAY COSTS OF ISSUING THE BONDS
SCH K, PART 1, LINE C, COLUMN F	TO (1) LEGALLY DEFEASE A PORTION OF THE OUTSTANDING SERIES 2008 BONDS ISSUED ON MARCH 20, 2008, (2) FUND THE CONSTRUCTION OF THE MEDICAL CENTER - WKU HEALTH SCIENCES COMPLEX, (3) AND TO PAY THE COSTS OF ISSUING THE SERIES 2012 BONDS

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, 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
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

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

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

1 (a) Name of disqualified person	(b) 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) GRAVES GILBERT CLINIC	RON SOWELL, OFFICER	515,739	LEASING- SEE PART V		No
(2) GRAVES GILBERT CLINIC	RON SOWELL, OFFICER	61,546	PHYSICIAN SERVICES- SEE PART V		No
(3) AIRGAS MID-AMERICA	B JEAN CHERRY, OFFICER	231,926	MEDICAL SUPPLIES- SEE PART V		No
(4) STEPHANIE BLACKBURN	DONNA BLACKBURN, DIRECTOR	57,174	COMP OF DTR-IN-LAW-SEE PART V		No
(5) RONNIE MOORE	SARAH MOORE, OFFICER	74,861	COMP OF HUSBAND- SEE PART V		No
(6) LAURA DEATON	DONNA BLACKBURN, DIRECTOR	42,720	COMP OF DAUGHTER- SEE PART V		No

Part V Supplemental Information

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

Return Reference	Explanation
SCH L, PART IV, COLUMN D	RONALD SOWELL IS AN OFFICER OF THE MEDICAL CENTER MR SOWELLS WIFE, DR DEBRA SOWELL, IS THE MEDICAL DIRECTOR OF GRAVES GILBERT CLINIC (GGC) THE MEDICAL CENTER LEASES PROPERTY TO GGC AND ALSO PURCHASES PHYSICIAN SERVICES FROM THEM ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS BARBARA JEAN CHERRY IS AN EXECUTIVE VICE PRESIDENT FOR THE MEDICAL CENTER MRS CHERRYS SPOUSE IS THE CHIEF FINANCIAL OFFICER OF AIRGAS MID-AMERICA AIRGAS MID-AMERICA SUPPLIES MEDICAL GAS TO THE MEDICAL CENTER JEAN CHERRY DOES NOT PARTICIPATE IN THE NEGOTIATIONS OF CONTRACTS WITH AIRGAS MID-AMERICA AND ALL TRANSACTIONS ARE CONDUCTED ON AN ARMS LENGTH BASIS DONNA BLACKBURN SERVES AS A DIRECTOR OF THE MEDICAL CENTER MS BLACKBURNS DAUGHTER-IN-LAW, STEPHANIE BLACKBURN, IS EMPLOYED BY THE MEDICAL CENTER SARAH MOORE SERVES AS AN OFFICER OF THE MEDICAL CENTER MRS MOORES HUSBAND, RONNIE MOORE, IS EMPLOYED BY THE MEDICAL CENTER DONNA BLACKBURN SERVES AS A DIRECTOR OF THE MEDICAL CENTER MS BLACKBURNS DAUGHTER, LAURA DEATON, IS EMPLOYED BY THE MEDICAL CENTER

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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.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
BOWLING GREEN WARREN COUNTY COMMUNITY HOSPITAL CORPORATION

Employer identification number
61-0920842

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	
FORM 990, PART VI, SECTION A, LINE 7A	ARTICLE 2 OF THE BYLAWS IDENTIFIES COMMONWEALTH HEALTH CORPORATION BOARD OF DIRECTORS AS T HE MEMBER ARTICLE 2 OF THE BYLAWS SAYS THE MEMBER SHALL APPOINT A NOMINATING COMMITTEE WH ICH SHALL MEET AND DESIGNATE NOMINEES FOR ALL POSITIONS TO BE FILLED BY APPOINTMENT BY THE MEMBER
FORM 990, PART VI, SECTION B, LINE 11	FORM 990 IS PLACED ELECTRONICALLY ON A COMPANY WEBSITE USED TO SHARE INFORMATION WITH BOAR D MEMBERS EACH BOARD MEMBER IS PROVIDED ACCESS TO THE WEBSITE AND IS ASKED TO REVIEW FORM 990 PRIOR TO A DESIGNATED DATE ON WHICH THE RETURN WILL BE FILED AT LEAST TWO WEEKS OF A DVANCE NOTICE IS GIVEN TO BOARD MEMBERS SO THEY MAY REVIEW THE RETURN
FORM 990, PART VI, SECTION B, LINE 12C	THE COMMONWEALTH HEALTH CORPORATION (CHC) (APPLICABLE TO THE CORPORATION AND/OR ITS AFFILI ATES) CODE OF CONDUCT EXPLICITLY STATES MEMBERS OF THE BOARD, ADMINISTRATION, THE MEDICAL STAFF, AND ALL EMPLOYEES ARE EXPECTED TO AVOID CONFLICTS OF INTEREST IN A TIMELY MANNER A LL INDIVIDUALS SIGN AN ACKNOWLEDGEMENT UPON EMPLOYMENT THAT THEY HAVE RECEIVED A COPY OF T HE CODE OF CONDUCT, ARE FAMILIAR WITH ITS CONTENT, AND UNDERSTAND THEIR RESPONSIBILITIES T O AVOID NON-COMPLIANT ACTIVITY CHCS REGULATORY COMPLIANCE COMMITTEE (RCC) REVIEWS AND APP ROVES ALL CONTRACTS FOR CHC AND/OR AFFILIATES THE REVIEW IS DESIGNED TO IDENTIFY POTENTIA L CONFLICTS OF INTEREST BY BOARD MEMBERS AND/OR OFFICERS RCC MEMBERS ARE PROHIBITED FROM TAKING PART IN DECISIONS REGARDING TRANSACTIONS WITH WHICH HE/SHE HAS A CONFLICT OF INTERE ST ANNUALLY, WRITTEN INQUIRY IS MADE-BY- QUESTIONNAIRE OF BOARD MEMBERS AND OFFICERS SEEK ING DISCLOSURE OF CONFLICTS OF INTEREST OR INFORMATION THAT RELATES TO FAMILY MEMBERS TRA NSACTIONS ARISING ARE REVIEWED BY MANAGEMENT AS THEY OCCUR
FORM 990, PART VI, SECTION B, LINE 15	EMPLOYEE OFFICERS OF THIS ENTITY ARE EMPLOYEES OF COMMONWEALTH HEALTH CORPORATION WHICH US ES INDEPENDENT CONSULTANTS TO ANNUALLY REVIEW COMPENSATION COMPENSATION-RELATED DETERMINA TIONS ARE CONDUCTED IN ACCORDANCE WITH APPLICABLE REQUIREMENTS OF THE INTERNAL REVENUE COD E AND REGULATIONS TO QUALIFY FOR THE PRESUMPTION THAT THE COMPENSATION IS REASONABLE, INCL UDING BUT NOT LIMITED TO APPROVAL BY AN AUTHORIZED COMMITTEE OF THE BOARD OF DIRECTORS WHO DO NOT HAVE A CONFLICT OF INTEREST, OBTAINING AND RELYING ON APPROPRIATE DATA AS TO COMPA RABILITY, AND CONCURRENT DOCUMENTATION OF THE BASIS FOR THE COMPENSATION DETERMINATIONS
FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE ONLY MADE AV AILABLE IF REQUIRED, AND IN THE MANNER REQUIRED, BY A GOVERNING AGENCY
FORM 990, PART XI, LINE 9	CHANGE IN MINIMUM PENSION LIABILITY 5,613,792 TRANSER FROM AFFILIATES 1,850,329 PERMANEN T RESTRICTED 101,577 CHANGE IN FMV OF INTEREST RATE SWAP -651,326

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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
BOWLING GREEN WARREN COUNTY COMMUNITY
HOSPITAL CORPORATION

Employer identification number
61-0920842

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

(a) Name, address, and EIN (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
(1) MEDICAL CENTER PHARMACY OF BOWLING GREEN 800 PARK STREET BOWLING GREEN, KY 42101 06-1778164	PHARMACY	KY	511,682	1,612,685	
(2) MEDICAL CENTER EMS LLC 800 PARK STREET BOWLING GREEN, KY 42101 56-2332847	EMERG MED SVC	KY	5,639,330	1,135,246	

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) Disproprtionate allocations? No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
(1) URGENTCARE PROPERTIES 800 PARK STREET BOWLING GREEN, KY 42101	REAL ESTATE	KY		RELATED	193,508	1,065,609		No			No	51 000 %
(2) MEDICAL PLAZA PARTNERS LTD 800 PARK STREET BOWLING GREEN, KY 42101	REAL ESTATE	KY		RELATED	258,631	599,738		No			No	92 600 %

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) Section 512 (b)(13) controlled entity? No
(1) URGENTCARE OF BOWLING GREEN INC 800 PARK STREET BOWLING GREEN, KY 42101 61-1035393	HEALTHCARE	KY	N/A	C					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	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f 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	Yes	
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	Yes	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
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

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

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION
d/b/a THE MEDICAL CENTER

CONSOLIDATED FINANCIAL STATEMENTS

AND

OTHER INFORMATION

MARCH 31, 2014 AND 2013

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION d/b/a THE MEDICAL CENTER

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MARCH 31, 2014 AND 2013

blue

Blue & Co , LLC / 2650 Eastpoint Parkway, Suite 300 / Louisville, KY 40223
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blueandco com

REPORT OF INDEPENDENT AUDITORS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bowling Green – Warren County Community Hospital Corporation d/b/a The Medical Center (The Medical Center), which comprise the consolidated balance sheet as of March 31, 2014, and the related consolidated statements of operations and changes in net assets, and cash flows for the year then ended and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated 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 the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from 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 audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free 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

We believe 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 financial position of The Medical Center as of March 31, 2014, and the results of its operations, its changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Prior Period Financial Statements

The consolidated financial statements of The Medical Center as of March 31, 2013, were audited by other auditors whose report dated August 8, 2013, expressed an unmodified opinion on those statements

Other Information

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

Blue & Co., LLC

Louisville, Kentucky
August 11, 2014

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION d/b/a THE MEDICAL CENTER

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2014 AND 2013

ASSETS

	2014	2013
Current assets		
Cash and cash equivalents	$ 13,200,955	$ 10,901,056
Patient accounts receivable, net of allowance, 2014 - $24,700,000, 2013 - $23,100,000	40,638,621	38,606,904
Inventories	8,386,557	7,394,873
Prepaid expenses and other current assets	9,207,165	13,463,549
Current portion of assets limited as to use	5,670,122	4,519,417
Total current assets	77,103,420	74,885,799
Assets limited as to use	189,957,817	165,177,336
Property and equipment - net	108,675,966	110,259,583
Other assets		
Deferred financing charges, net	1,562,295	2,636,577
Amounts due from affiliated companies	1,429,801	1,488,723
Other assets	9,717,468	10,113,040
Total other assets	12,709,564	14,238,340
	$ 388,446,767	$ 364,561,058

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	$ 8,845,947	$ 8,837,419
Accrued salaries and withholdings	2,974,589	3,688,702
Accrued vacation	7,260,876	6,975,345
Accrued expenses	7,026,638	10,393,875
Amounts due to Medicare and Medicaid - estimated	8,612,821	5,371,960
Current portion of long-term debt	4,092,121	3,936,817
Total current liabilities	38,812,992	39,204,118
Amounts due to affiliated companies	1,639,698	1,588,848
Other long-term liabilities		
Interest rate swap agreements	-0-	8,409,681
Pension	36,951,956	41,600,650
Other long-term liabilities	-0-	1,533,932
Total other long-term liabilities	36,951,956	51,544,263
Long-term debt, less current portion	114,378,507	115,527,033
Net assets		
Unrestricted net assets	195,031,067	155,165,826
Permanently restricted net assets	1,632,547	1,530,970
Total net assets	196,663,614	156,696,796
	$ 388,446,767	$ 364,561,058

See accompanying notes to consolidated financial statements.

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION d/b/a THE MEDICAL CENTER

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2014 AND 2013

	2014	2013
Unrestricted net assets		
Operating revenues		
Net patient service revenue	$ 319,252,383	$ 310,629,858
Less Provision for bad debts	21,264,955	20,106,904
Net patient service revenue less provision for bad debts	297,987,428	290,522,954
Other revenue	20,802,847	22,016,379
Total operating revenues	318,790,275	312,539,333
Operating expenses		
Employee compensation	93,621,564	93,900,922
Payroll taxes and employee benefits	36,481,888	35,395,070
Professional fees	43,544,888	42,632,552
Supplies and expenses	85,748,339	86,095,266
Depreciation and amortization	14,327,145	14,085,008
Interest	4,842,032	4,300,895
Provider tax	4,044,466	4,012,433
Other operating expenses	9,749,628	9,712,452
Total operating expenses	292,359,950	290,134,598
Income from operations	26,430,325	22,404,735
Nonoperating revenues (expenses)		
Change in fair value of interest rate swap agreement	(651,320)	(1,056,046)
Investment return	8,124,890	4,767,371
Loss on extinguishment of debt	(1,502,775)	(885,027)
Total nonoperating revenues (expenses)	5,970,795	2,826,298
Excess of revenues over expenses	$ 32,401,120	$ 25,231,033

See accompanying notes to consolidated financial statements.

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION d/b/a THE MEDICAL CENTER

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2014 AND 2013

	2014	2013
Unrestricted net assets		
Excess of revenues over expenses	$ 32,401,120	$ 25,231,033
Transfer from affiliates	1,850,329	2,777,923
Change in defined benefit pension plan gains and losses and prior service costs	5,613,792	1,533,690
Change in unrestricted net assets	39,865,241	29,542,646
Permanently restricted net assets		
Investment return	101,577	51,673
Change in permanently restricted net assets	101,577	51,673
Change in net assets	39,966,818	29,594,319
Net assets, beginning of year	156,696,796	127,102,477
Net assets, end of year	$ 196,663,614	$ 156,696,796

See accompanying notes to consolidated financial statements.

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION d/b/a THE MEDICAL CENTER

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2014 AND 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 39,966,818	$ 29,594,319
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	14,327,145	14,085,008
Net realized and unrealized gain on investments	(5,721,453)	(1,789,008)
Provision for bad debts	21,264,955	20,106,904
Change in fair value of interest rate swap agreement	651,320	1,056,046
Change in defined benefit pension plan gains and losses and prior service costs	(5,613,792)	(1,533,690)
(Gain) loss on disposal of property and equipment	114,100	(364,520)
Loss on extinguishment of debt	1,502,775	885,027
Transfer from affiliates	-0-	(2,777,923)
Changes in operating assets and liabilities		
Patient accounts receivable	(23,296,672)	(21,025,148)
Inventories	(991,684)	(327,132)
Prepaid expenses and other current assets	4,256,384	(3,196,265)
Accounts payable, accrued expenses, and other long-term liabilities	(6,196,887)	3,939,174
Pension liability	965,098	3,588,731
Amounts due to Medicare and Medicaid - estimated	3,240,861	2,546,119
Amounts due to affiliated companies	50,850	(237,205)
Net cash from operating activities	44,519,818	44,550,437
Cash flows from investing activities		
Purchases of investments	(47,961,047)	(63,483,189)
Proceeds from disposition of investments	27,751,314	39,456,078
Purchases of property and equipment	(11,473,564)	(22,334,448)
Proceeds from sale of property and equipment	88,313	424,925
Purchase of business	-0-	(8,225,000)
Change in amounts due from affiliated companies	58,922	(241,895)
Change in other assets	(77,761)	-0-
Net cash from investing activities	(31,613,823)	(54,403,529)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	47,871,948	44,126,652
Repayments of long-term debt	(48,865,170)	(30,171,037)
Payment of deferred financing costs	(551,873)	(692,099)
Interest rate swap agreement termination	(9,061,001)	(2,964,800)
Transfers from affiliates	-0-	1,490,672
Net cash from financing activities	(10,606,096)	11,789,388
Net change in cash and cash equivalents	2,299,899	1,936,296
Cash and cash equivalents at beginning of year	10,901,056	8,964,760
Cash and cash equivalents at end of year	$ 13,200,955	$ 10,901,056
Noncash transactions		
Property and equipment included in accounts payable	$ 875,664	$ 1,233,303
Property and equipment transferred from affiliates	$ -0-	$ 1,287,251

See accompanying notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES

Nature of Operations and Organization

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

Principles of Consolidation

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

Use of Estimates

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

Cash and Cash Equivalents

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

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts In evaluating the collectability of accounts receivable, The Medical Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts

For receivables associated with services provided to patients who have third-party coverage, The Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely)

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

The Medical Center's allowance for doubtful accounts for self-pay patients increased from 53% of self-pay accounts receivable at March 31, 2013, to 56% of self-pay accounts receivable at March 31, 2014 In addition, The Medical Center's write-offs decreased approximately $1,300,000 from approximately $20,900,000 for the year ended March 31, 2013, to approximately $19,600,000 for the year ended March 31, 2014 The allowance for doubtful account percentage increased based upon changes to the aging of accounts The decrease in write-offs was based upon the collection trends of The Medical Center in 2014 as compared to 2013

Inventories

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

Assets Limited as to Use

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

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

Funds on deposit with trustees in connection with various bond indentures are to be used only for interest, retiring indebtedness, or capital expenditures as specified by the various bond indenture agreements and are reported as assets limited as to use Assets limited as to use also include The Medical Center's beneficial interest in a perpetual trust Amounts required to meet current liabilities of The Medical Center are reported as current assets in the consolidated balance sheets at March 31, 2014 and 2013

Property and Equipment

Property and equipment is recorded on the basis of cost Donated assets are recorded at their fair market value at the date of donation Leases, which are substantially installment purchases of property, are recorded as assets and amortized over the shorter of the lease term or their estimated useful lives Amortization of property purchased under capital lease arrangements is included in depreciation and amortization expense The Medical Center records depreciation on the straight-line method over the estimated useful lives of the assets Equipment is depreciated over a 3 to 15 year useful life range, land improvements are depreciated over a 5 to 20 year useful life range and buildings are depreciated over a 5 to 40 year useful life range Useful lives of assets are determined in accordance with the American Hospital Association's *Estimated Useful Lives of Depreciable Hospital Assets.*

Long-Lived Asset Impairment

The Medical Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value No asset impairment was recognized during the years ended March 31, 2014 and 2013

Deferred Financing Costs

The Medical Center's policy is to amortize deferred financing costs ratably over the life of the bonds

Accumulated amortization on remaining deferred financing costs was approximately $306,000 and $1,473,000 as of March 31, 2014 and 2013, respectively

Goodwill

Goodwill of approximately $4,849,000 is included in other assets in the consolidated balance sheets at March 31, 2014 and 2013 Goodwill is evaluated annually for impairment A qualitative assessment is performed to determine whether the existence of events or circumstances leads to a determination that it is more likely than not the fair value is less than the carrying amount If, based on the evaluation, it is determined to be more likely than not that the fair value is less than the carrying value, then goodwill is tested further for impairment If the implied fair value of goodwill is lower than its carrying amount, a goodwill impairment is indicated and goodwill is written down to its implied fair value Subsequent increases in goodwill value are not recognized in the consolidated financial statements

Intangible Assets

Intangible assets of approximately $1,420,000 are being amortized on the straight-line basis over three years Such assets are periodically evaluated as to the recoverability of their carrying values Intangible assets, net of accumulated amortization of approximately $710,000 and $237,000 at March 31, 2014 and 2013, respectively, are included in other assets in the consolidated balance sheets

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained by The Medical Center in perpetuity The Medical Center is an income beneficiary of a trust fund held by others The Medical Center has recorded as an asset the net present value of the estimated income to be received from this trust which is included in assets limited as to use in the consolidated balance sheets This permanently restricted asset is required by the donors to be maintained by The Medical Center in perpetuity

Net Patient Service Revenue

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

Operating Activities and Nonoperating Revenues (Expenses)

Only those activities directly associated with the furtherance of The Medical Center's primary mission are considered to be operating activities Other activities are considered to be nonoperating revenues (expenses) Nonoperating revenues (expenses) include changes in the fair value of interest rate swap agreements, investment return, and loss on extinguishment of debt

Charity Care

The Medical Center provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy Because The Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue The Medical Center's direct and indirect costs for services furnished under its charity care policy aggregated approximately $14,839,000 and $14,887,000 in 2014 and 2013, respectively The Medical Center has received approximately $3,841,000 and $4,020,000, respectively, from an uncompensated care fund to subsidize charity services provided under its charity care policy, which is included in net patient service revenue in the consolidated statements of operations and changes in net assets

Excess of Revenues Over Expenses

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

Self-Insurance

The Medical Center has elected to self-insure certain costs related to employee health and workers compensation programs Costs resulting from noninsured losses are charged to income when incurred The Medical Center has purchased insurance related to the employee health program that limits its exposure for individual claims to $175,000 and $150,000 for the years ended March 31, 2014 and 2013, respectively, and no limits on its aggregate exposure The Medical Center has purchased insurance related to the workers compensation program for the years ended March 31, 2014 and 2013 is as follows

	2014	2013
Self-insured retention per occurrence	$ 700,000	$ 500,000
Employers' liability maximum limit	$ 2,000,000	$ 2,000,000
Excess/umbrella liability insurance	$ 25,000,000	$ 25,000,000

Functional Expenses

The Medical Center's general and administrative costs represented approximately 9% and 8% of total expenses for each of the years ended March 31, 2014 and 2013, respectively

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date

Income Tax Status

Most of the income received by The Medical Center is exempt from taxation under Section 501(a) of the Internal Revenue Code Some of its income is subject to taxation as unrelated business income The Medical Center files federal income tax returns, as well as an income tax return in Kentucky The Medical Center is no longer subject to U S federal income tax examinations by tax authorities for years before 2011

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

The Medical Center does not have any uncertain tax positions recognized for 2014 and 2013

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

Electronic Health Records Incentive Program

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

The Medical Center recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period The Medical Center recognized EHR revenue of $0 and $3,848,779 for the years ended March 31, 2014 and 2013, respectively, which is included in other revenue within operating revenues in the consolidated statement of operations and changes in net assets

Reclassifications

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 financial statement presentation These reclassifications had no effect on the change in net assets

2. NET PATIENT SERVICE REVENUE

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered For uninsured patients that do not qualify for charity care, The Medical Center recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of The Medical Center's uninsured patients will be unable or unwilling to pay for the services provided Thus, The Medical Center records a significant provision for bad debts related to uninsured patients in the period the services are provided This provision for bad debts is presented on the consolidated statement of operations as a component of net patient service revenue

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

Inpatient medical and surgical acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors Medicare payments for home health and most hospital outpatient services are paid at prospectively determined rates based upon the patient's diagnosis Long-term care services are reimbursed based on prospectively determined rates Medicare revenue was approximately 33% and 34% of net patient service revenue for the years ended March 31, 2014 and 2013, respectively

The Medicaid program reimburses The Medical Center on a prospectively determined rate per patient day for inpatient services and on the basis of cost, as defined, for outpatient, home health, and long-term care services Medicaid revenue was approximately 5% of net patient service revenue for the years ended March 31, 2014 and 2013

Blue Cross revenue was approximately 18% and 20% of net patient service revenue for the years ended March 31, 2014 and 2013, respectively Center Care was approximately 17% and 19% of net patient service revenue for the years ended March 31, 2014 and 2013, respectively

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

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended March 31, 2014 and 2013, respectively, was approximately

	2014	2013
Medicare	$ 105,919,006	$ 104,958,096
Medicaid	17,084,605	14,004,026
Other third-party payors	131,930,078	125,586,571
Self-pay	64,318,694	66,081,165
	$ 319,252,383	$ 310,629,858

The Commonwealth of Kentucky (Commonwealth) imposes a tax on health care providers The Commonwealth also provides for a system of reimbursement for services provided to certain Medicaid patients and other patients meeting specified income guidelines Provider tax expense for the years ended March 31, 2014 and 2013, was approximately $4,044,000 and $4,012,000, respectively Net patient service revenue includes approximately $3,841,000 and $4,020,000 of reimbursement for indigent care provided for the years ended March 31, 2014 and 2013, respectively

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

3. INVESTMENTS AND INVESTMENT RETURN

Assets limited as to use at March 31, 2014 and 2013 include

	2014	2013
Restricted under bond indenture agreements		
Cash and cash equivalents	$ 9,679,963	$ 15,595,128
Guaranteed investment contract	-0-	4,826,038
	9,679,963	20,421,166
Designated by board for replacement, expansion, and improvement of facilities		
Cash and cash equivalents	16,227,590	12,469,588
Equity securities	30,944,066	23,436,491
Mutual funds - large cap U S companies	6,710,583	6,985,371
Mutual funds - mid and small cap U S companies	11,117,106	5,397,725
Mutual funds - emerging markets	9,612,844	7,130,925
Government agency obligations	97,388,458	78,365,257
Corporate bonds and notes	12,314,782	13,959,260
	184,315,429	147,744,617
Permanently restricted by donor		
Beneficial interest in a perpetual trust	1,632,547	1,530,970
	195,627,939	169,696,753
Less amount required to meet current obligations	5,670,122	4,519,417
	$ 189,957,817	$ 165,177,336

Total investment return is comprised of the following

	2014	2013
Interest and dividend income	$ 2,505,014	$ 3,030,036
Realized gains on trading securities	2,745,258	144,614
Net unrealized gains on trading securities	2,976,195	1,644,394
	$ 8,226,467	$ 4,819,044

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

	2014	2013
Unrestricted net assets		
Nonoperating revenues	$ 8,124,890	$ 4,767,371
Permanently restricted net assets	101,577	51,673
	$ 8,226,467	$ 4,819,044

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at March 31

	2014	2013
Land and land improvements	$ 16,296,768	$ 15,498,417
Buildings	153,649,114	138,708,828
Equipment	149,726,534	147,660,285
Construction in process	128,212	8,947,974
	319,800,628	310,815,504
Less accumulated depreciation and amortizaton	211,124,662	200,555,921
	$ 108,675,966	$ 110,259,583

FASB Accounting Standards Codification Topic 410 (Topic 410) clarified when an entity is required to recognize a liability for a conditional asset retirement obligation Management has considered Topic 410, specifically as it relates to its legal obligation to perform asset retirement activities, such as asbestos removal, on its existing properties Management believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which The Medical Center may settle the obligations is unknown and cannot be estimated As a result, as of March 31, 2014, The Medical Center cannot reasonably estimate a liability related to these potential asset retirement activities

5. LONG-TERM DEBT

Long-term debt consists of the following at March 31

	2014	2013
The County of Warren, Kentucky, Hospital Refunding and Revenue Bonds, Series 2008, dated March 20, 2008 (A)	$ -0-	$ 43,560,000
The County of Warren, Kentucky, Hospital Refunding Revenue Bonds, Series 2007A, dated March 15, 2007 (B)	25,520,000	26,375,000
The County of Warren, Kentucky, Hospital Revenue Bonds, Series 2012A, dated August 1, 2012 (C)	15,550,000	15,550,000
The County of Warren, Kentucky, Hospital Refunding Revenue Bonds, Series 2012B, dated August 1, 2012 (D)	22,445,000	25,080,000
The County of Warren, Kentucky, Hospital Refunding Revenue Bonds, Series 2013, dated May 1, 2013 (E)	42,260,000	-0-
Construction Promissory Note, due September 2026, payable $29,686 monthly including interest at 3 00%, secured by certain real property with a net book value of $3,090,338 as of March 31, 2014	3,699,186	3,938,901
Notes paid off in 2014	-0-	945,759
	109,474,186	115,449,660
Plus unamortized bond premium	8,996,442	4,014,190
Less current portion	4,092,121	3,936,817
	$ 114,378,507	$ 115,527,033

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

In August 2012, $24,815,000 of the outstanding Series 2008 Bonds were refunded with the issuance of the County of Warren, Kentucky Hospital Refunding Revenue Bonds, Series 2012B (Series 2012B Bonds) In May 2013, The Medical Center issued $42,260,000 in the County of Warren, Kentucky Hospital Refunding Revenue Bonds, Series 2013 (Series 2013 Bonds) on behalf of The Medical Center The Series 2013 Bonds and certain other available monies were used to refund the remaining outstanding Series 2008 Bonds, to make a termination payment related to the associated interest rate swap agreement, and to pay the costs of issuing the Series 2013 Bonds

In connection with the issuance of the Series 2008 Bonds, The Medical Center entered into an interest rate swap agreement for interest rate management purposes Under the terms of this interest rate swap agreement, The Medical Center paid a fixed rate of 3 269% and receives a floating rate based upon 70% of the one-month LIBOR rate thereafter on notional amounts of $0 and $43,560,000 at March 31, 2014 and 2013, respectively The agreement was set to expire on April 1, 2037, however as noted above The Medical Center terminated the agreement in May 2013 This swap was not designated as a cash flow hedge for accounting purposes and as such changes in the fair value of the swap are recorded as nonoperating revenues or expenses in the consolidated statements of operations and changes in net assets The Medical Center recorded losses of $651,320 and $1,056,046 related to this swap agreement for the years ended March 31, 2014 and 2013, respectively, which is included in the change in fair value of interest rate swap agreements in the consolidated statements of operations and changes in net assets The interest differential to be paid or received under this swap agreement is accrued and recognized as an adjustment to interest expense The Medical Center has recognized a liability of $-0- and $8,409,681 at March 31, 2014 and 2013, respectively, which is included in the interest rate swap agreement liability in the consolidated balance sheets (see Note 11) In August 2012, The Medical Center made a payment in the amount of $2,964,800 to reduce the notional amount of the agreement due to the refunding of a portion of the Series 2008 Bonds In May 2013, The Medical Center made a payment of approximately $9,061,000 to terminate the agreement due to the refunding of the remainder of the Series 2008 Bonds The change in fair value of interest rate swap agreements is included within operating activities on the consolidated statements of cash flows

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

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

(C) On August 1, 2012, the County of Warren, Kentucky issued $15,550,000 in Hospital Revenue Bonds, Series 2012A (Series 2012A Bonds) on behalf of The Medical Center Proceeds from the Series 2012A Bonds and certain other available monies were used to fund the construction of The Medical Center – WKU Health Sciences Complex and to pay the costs of issuing the Series 2012A Bonds

The Series 2012A Bonds, which amortize over 25 years, require The Medical Center to make semiannual interest payments with varying principal payments beginning in fiscal year 2025 The interest rate on the bonds varies from 4 00% to 5 00% The Series 2012A Bonds maturing on or after fiscal year 2023 are subject to optional redemption by The Medical Center The Series 2012A Bonds are secured by the gross revenues of The Medical Center and assets restricted under the bond indenture agreement

(D) On August 1, 2012, the County of Warren, Kentucky issued the Series 2012B Bonds in the amount of $25,080,000 on behalf of The Medical Center Proceeds from the Series 2012B Bonds and certain other available monies were used to legally defease a portion of the outstanding Series 2008 Bonds issued on behalf of The Medical Center, to make a termination payment relating to the associated interest rate swap agreement for the Series 2008 Bonds, and to pay the costs of issuing the Series 2012B Bonds

The Series 2012B Bonds, which amortize over eight years, require The Medical Center to make periodic interest payments with varying principal payments beginning in fiscal year 2014 The interest rate on the bonds varies from 2 00% to 5 00% The Series 2012B Bonds are not subject to optional redemption prior to their respective maturities The Series 2012B Bonds are secured by the gross revenues of The Medical Center and assets restricted under the bond indenture agreement In conjunction with the issuance, The Medical Center recorded a loss on extinguishment of debt of approximately $885,000 in 2013

(E) In May, 2013, the County of Warren, Kentucky issued the Series 2013 Bonds in the amount of $42,260,000 on behalf of The Medical Center Proceeds from the Series 2013 Bonds and certain other available monies were used to legally defease the remaining outstanding Series 2008 Bonds issued on behalf of The Medical Center, to make a termination payment relating to the associated interest rate swap agreement for the Series 2008 Bonds, and to pay the costs of issuing the Series 2013 Bonds

The Series 2013 Bonds, which amortize over 23 years, require The Medical Center to make semiannual interest payments with varying principal payments beginning in fiscal year 2015 The interest rate on the bonds varies from 4 00% to 5 00% The Series 2013 Bonds maturing after April 1, 2035, are subject to optional redemption The Series 2013 Bonds are secured by the gross revenues of The Medical Center and assets restricted under the bond indenture agreement In conjunction with the issuance, The Medical Center recorded a loss on extinguishment of debt of approximately $1,503,000 in 2014

Under the terms of the Series 2007A, 2012A, 2012B, and 2013 Bonds, The Medical Center has agreed to certain covenants which, among other things, require the establishment of a debt service fund, limit additional indebtedness and guarantees and require The Medical Center to maintain specified financial ratios and minimum days cash on hand

Aggregate future principal maturities of long-term debt were as follows at March 31, 2014

Years Ending March 31,	Amount
2015	$ 4,092,121
2016	4,244,475
2017	4,392,592
2018	4,585,691
2019	4,759,041
Thereafter	87,400,266
	$ 109,474,186

Cash paid for interest during the years ended March 31, 2014 and 2013, was approximately $4,311,000 and $3,700,000, respectively The Medical Center capitalized $-0- and $484,000 in interest expense in 2014 and 2013, respectively

6. OPERATING LEASES

The Medical Center has entered into various noncancellable operating lease agreements primarily for the use of medical equipment Future minimum annual rental payments for leases with terms in excess of one year as of March 31, 2014, are as follows

Years Ending March 31,	
2015	$ 802,278
2016	291,877
2017	888
	$ 1,095,043

Total rental expense for all lease agreements was approximately $1,502,000 and $1,547,000 for the years ended March 31, 2014 and 2013, respectively Rent expense is included in supplies and expenses in the consolidated statements of operations and changes in net assets

7. EMPLOYEE BENEFIT PLANS

Substantially all of The Medical Center's employees hired before June 30, 2009, are covered by the Corporation's noncontributory defined benefit pension plan Plan benefits are based upon a career average benefit formula Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future Pension expense allocated to The Medical Center was $6,885,000 and $6,964,000 for the years ended March 31, 2014 and 2013 respectively The Medical Center increased unrestricted net assets by $5,613,792 and $1,533,690 related to the defined benefit pension plan for the years ended March 31, 2014 and 2013, respectively The Corporation uses a March 31 measurement date for its defined benefit pension plan

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

A summary of the components of net periodic cost for the defined benefit plan, which is included in payroll taxes and employee benefits in the consolidated statements of operations and changes in net assets, for the years ended March 31 is as follows

	2014	2013
Components of net periodic benefit cost		
Service cost-benefits earned during the year	$ 6,486,676	$ 6,500,308
Interest cost on projected benefit obligation	6,212,250	6,092,563
Expected return on plan assets	(6,148,187)	(5,841,954)
Amortization and deferral of net gain	3,082,089	3,071,673
Net periodic benefit cost	$ 9,632,828	$ 9,822,590

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

	2014	2013
Change in projected benefit obligaton		
Benefit obligation at beginning of year	$ 130,970,025	$ 122,708,866
Service cost	6,486,676	6,500,308
Interest cost	6,212,250	6,092,563
Actuarial loss	(1,538,588)	943,962
Benefits paid	(6,670,420)	(5,275,674)
Projected benefit obligation at end of year	135,459,943	130,970,025
Change in plan assets		
Fair value of plan assets at beginning of year	89,369,375	83,163,257
Actual return on plan assets	7,141,302	5,247,933
Employer contributions	8,667,730	6,233,859
Benefits paid	(6,670,420)	(5,275,674)
Fair value of plan assets at end of year	98,507,987	89,369,375
Unfunded projected benefit obligation	$ (36,951,956)	$ (41,600,650)

The funded status of the plan is included in other long-term liabilities in the accompanying consolidated balance sheets The accumulated benefit obligation was approximately $108,875,000 and $104,450,000 at March 31, 2014 and 2013, respectively

Included in accumulated other unrestricted net assets at March 31, 2014 and 2013, are the following amounts that have not yet been recognized in net periodic pension cost net loss of $36,763,250 and $42,163,385 and unrecognized prior service costs of $357,425 and $571,082, respectively The net loss and prior service cost expected to be recognized during the fiscal year ending March 31, 2015, is approximately $2,278,000 and $202,000, respectively

The net gain recognized in the change in defined benefit pension plan gains and losses and prior service costs included in changes in unrestricted net assets was $5,400,135 and $1,320,033 for the years ended March 31, 2014 and 2013, respectively The net prior service cost recognized in the change in defined benefit pension plan gains and losses and prior service costs included in change in unrestricted net assets was $213,657 for the years ended March 31, 2014 and 2013

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

	2014	2013
Projected benefit obligation	$ 135,459,943	$ 130,970,025
Accumulated benefit obligation	108,875,036	104,449,627
Fair value of plan assets	98,507,987	89,369,375

Significant assumptions include

	2014	2013
Weighted-average assumptions used to determine benefit obligatons		
Discount rate	4 99 %	4 87 %
Rate of compensation increase	4 00 %	4 00 %
Weighted-average assumptions used to determine benefit costs		
Discount rate	4 87 %	5 24 %
Expected return on plan assets	7 00 %	7 00 %
Rate of compensation increase	4 00 %	4 00 %

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

Plan assets are invested in 0 9% and 0 7% of money market mutual funds, 22% and 18 3% of equity securities, 39 4% and 29 6% of mutual funds, 23 1% and 23 2% of corporate bonds and notes and 14 6% and 28 2% of government agency obligations at March 31, 2014 and 2013, respectively

The defined benefit plan's assets are invested in a portfolio that provides for asset allocation strategies across equity and debt markets The portfolio's objective is to maximize the plan's surplus, minimize annual contributions, and fund the annual interest credit Management and its investment advisor have prepared asset allocation recommendations based upon detailed analyses of the plan's current and expected future financial needs The target asset allocations percentages were 37% fixed income, 51% equities, and 12% diversifying assets for March 31, 2014 and 2013

The Corporation expects to contribute approximately $7 3 million to its pension plan in 2015

Pension Plan Assets

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

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

Following is a description of the valuation methodologies used for assets measured at fair value There have been no changes in the methodologies used at March 31, 2014 and 2013

- *Money market mutual funds* Generally transact subscription and redemption activity at a $1 stable net asset value (NAV) however, on a daily basis the funds are valued at their daily NAV calculated using the amortized cost of the securities held in the fund

- *Equity securities* Valued at the closing price reported on the active market on which the individual securities are traded

- *Mutual funds* Valued at the daily closing price as reported by the fund Mutual funds held by The Medical Center are open-end mutual funds that are registered with the Securities and Exchange Commission These funds are required to publish their daily net asset value and to transact at that price The mutual funds held by The Medical Center are deemed to be actively traded

- *Corporate bonds and notes* Valued using pricing models maximizing the use of observable inputs for similar securities This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings

- *Government agency obligations* Valued using pricing models maximizing the use of observable inputs for similar securities

The fair value of the Corporation's pension plan assets at March 31, 2014 and 2013, by asset class are as follows

	2014			
	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	$ 913,007	$ -0-	$ 913,007	$ -0-
Equity securities	21,628,358	21,628,358	-0-	-0-
Mutual funds (A)	38,796,235	38,796,235	-0-	-0-
Corporate bonds and notes	22,773,204	-0-	22,773,204	-0-
Government agency obligatons	14,397,183	-0-	14,397,183	-0-
	$ 98,507,987	$ 60,424,593	$ 38,083,394	$ -0-

	2013			
	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	$ 622,486	$ -0-	622,486	$ -0-
Equity securities	16,359,626	16,359,626	-0-	-0-
Mutual funds (B)	26,458,910	26,458,910	-0-	-0-
Corporate bonds and notes	20,777,971	-0-	20,777,971	-0-
Government agency obligatons	25,150,382	-0-	25,150,382	-0-
	$ 89,369,375	$ 42,818,536	$ 46,550,839	$ -0-

(A) Thirty-three percent of mutual funds invest in common stock of large cap U S companies Sixty-seven percent of the mutual fund investments focus on emerging markets and mid and small cap U S companies

(B) Thirty percent of mutual funds invest in common stock of large cap U S companies Seventy percent of the mutual fund investments focus on emerging markets and mid and small cap U S companies

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

Benefits expected to be paid to the Corporation's beneficiaries as of March 31, 2014, are as follows

Years Ending March 31,	Amount
2015	$ 7,537,000
2016	8,122,000
2017	8,680,000
2018	9,503,000
2019	10,081,000
2020 - 2024	54,429,000

The Medical Center participates in the Corporation's defined contribution pension plan which covers substantially all employees hired after June 30, 2009 The Medical Center makes matching contributions of 50% of employee deferral amounts on the first 6% of eligible compensation The Medical Center may also make discretionary matching contributions as determined by the Corporation's board of directors for eligible employee voluntary contributions Pension expense was $588,006 and $384,822 for 2014 and 2013, respectively

8. RELATED-PARTY TRANSACTIONS

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

At March 31, 2014 and 2013, The Medical Center had receivables from the Corporation and affiliated companies of $1,429,801 and $1,488,723, respectively

The Medical Center has recorded revenue of approximately $2,600,000 and $4,704,000 in 2014 and 2013, respectively, related to services provided and interest assessed to the affiliated companies The Medical Center also purchased management and other services from the Corporation which totaled approximately $31,500,000 and $30,576,000 in 2014 and 2013, respectively The Corporation transferred $1,850,329

and $2,777,923 to The Medical Center in 2014 and 2013, respectively The transfers were comprised of $1,850,329 and $1,490,672 in cash for 2014 and 2013 and $0 and $1,287,251 in property and equipment in 2014 and 2013 Such expenses are included in operating expenses in the accompanying consolidated financial statements Amounts due to affiliates include approximately $1,640,000 and $1,589,000 at March 31, 2014 and 2013, respectively, for management and other services purchased

9. CONCENTRATIONS OF CREDIT RISK

Patient Accounts Receivable

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

	2014		2013	
Medicare	28	%	29	%
Medicaid	14		12	
Blue Cross	13		13	
Center Care	9		8	
Other third-party payors	11		10	
Self-pay	25		28	
	100	%	100	%

Bank Balances

The Medical Center maintains its cash in bank deposit accounts, which may exceed federally insured limits The Medical Center has not experienced any losses on such accounts The Medical Center believes it is not exposed to any significant credit risk on cash

10. MEDICAL MALPRACTICE AND GENERAL LIABILITY INSURANCE

Effective August 1, 2002, The Medical Center became self-insured for medical malpractice losses and purchased occurrence-based excess commercial insurance coverage for claims over the self-insurance limit Losses from asserted and unasserted claims identified under The Medical Center's incident reporting system, as well as claims incurred but not yet reported, are accrued based on estimates provided by an actuary that incorporates past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors, including historical funding

patterns Recorded malpractice and general liability self-insurance liabilities (discounted at 4 75%) are adequate in management's opinion The estimated liability for medical malpractice claims of $517,328 and $3,178,148 of which $517,328 and $1,644,216 is included in accrued expenses and $0 and $1,533,932 is included in other long-term liabilities at March 31, 2014 and 2013, respectively, in the consolidated balance sheets The Medical Center has recorded a receivable for insurance recoveries of $1,271,372 and $3,503,397 of which $552,940 and $2,784,965 is included in prepaid expenses and other current assets and $718,432 is included in other assets in the consolidated balance sheet at both March 31, 2014 and 2013

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

The Corporation has established a trust for the purpose of setting aside assets based on actuarial funding recommendations The Medical Center participates in this trust and has funded its portion of the actuarial determined liability as noted above into the trust The Medical Center contributed approximately $1,418,000 and $1,730,000 into the trust for the years ended March 31, 2014 and 2013, respectively

11. FAIR VALUE MEASUREMENTS

Fair value is 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 Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs There is a hierarchy of three levels of inputs that may be used to measure fair value

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

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

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

Recurring Measurements

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

	2014			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 25,869,043	$ -0-	$ 25,869,043	$ -0-
Equity securities	30,944,066	30,944,066	-0-	-0-
Mutual funds - large cap U S companies	6,710,583	6,710,583	-0-	-0-
Mutual funds - mid and small cap U S companies	11,117,106	11,117,106	-0-	-0-
Mutual funds - emerging markets	9,612,845	9,612,845	-0-	-0-
Government agency obligations - U S Treasury Notes	43,890,748	-0-	43,890,748	-0-
Government agency obligations - Federal National Mortgage Association	19,022,730	-0-	19,022,730	-0-
Government agency obligations - Federal Home Loan Mortgage Corporation	34,474,980	-0-	34,474,980	-0-
Corporate bonds and notes	12,314,782	-0-	12,314,782	-0-
Beneficial interest in a perpetual trust	1,632,547	-0-	-0-	1,632,547

	2013			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	$ 24,459,110	$ -0-	$ 24,459,110	$ -0-
Guaranteed investment contract	4,826,038	-0-	4,826,038	-0-
Equity securities	23,436,491	23,439,491	-0-	-0-
Mutual funds - large cap U S companies	6,985,371	6,985,371	-0-	-0-
Mutual funds - mid and small cap U S companies	5,397,725	5,397,725	-0-	-0-
Mutual funds - emerging markets	7,130,925	7,130,925	-0-	-0-
Government agency obligations	78,365,257	-0-	78,365,257	-0-
Corporate bonds and notes	13,959,260	-0-	13,959,260	-0-
Beneficial interest in a perpetual trust	1,530,970	-0-	-0-	1,530,970
Interest rate swap agreements (Note 5)	(8,409,681)	-0-	(8,409,681)	-0-

The following summary sets forth a summary of changes in the fair values of The Medical Center's Level 3 assets for the years ended March 31, 2014 and 2013

Beneficial Interest on a Perpetual Trust	2014	2013
Balance, beginning of year	$ 1,530,970	$ 1,479,297
Purchase of investments	-0-	-0-
Redemption	-0-	-0-
Investment return	101,577	51,673
Balance, end of year	$ 1,632,547	$ 1,530,970

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy There have been no significant changes in the valuation techniques during the year ended March 31, 2014

Investments

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

Beneficial Interest in a Perpetual Trust

Value is based on the fair value reported by the trustee, which represents The Medical Center's interest in the net assets of the trust, substantially all of which are valued on a mark-to-market basis

Interest Rate Swap Agreement

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

The following table presents estimated fair values of The Medical Center's financial instruments and the level within the fair value hierarchy in which the fair measurements fall at March 31

	2014			
		Fair Value Measurements Using		
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Cash and cash equivalents	$ 13,239,465	$ 13,239,465	$ -0-	$ -0-
Money market mutual funds	25,869,043	-0-	25,869,043	-0-
Equity securities	30,944,066	30,944,066	-0-	-0-
Mutual funds - large cap U S companies	6,710,583	6,710,583	-0-	-0-
Mutual funds - mid and small cap U S companies	11,117,106	11,117,106	-0-	-0-
Mutual funds - emerging markets	9,612,845	9,612,845	-0-	-0-
Government agency obligations - U S Treasury Notes	43,890,748	-0-	43,890,748	-0-
Government agency obligations - Federal National Mortgage Association	19,022,730	-0-	19,022,730	-0-
Government agency obligations - Federal Home Loan Mortgage Corporation	34,474,980	-0-	34,474,980	-0-
Corporate bonds and notes	12,314,782	-0-	12,314,782	-0-
Beneficial interest in a perpetual trust	1,632,547	-0-	1,632,547	
Financial Liabilities				
Long-term debt, plus bond premium	$ 118,470,628	$ -0-	$ 116,287,580	$ -0-

	2013			
		Fair Value Measurements Using		
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets				
Cash and cash equivalents	$ 14,506,682	$ 14,506,682	$ -0-	$ -0-
Money market mutual funds	24,459,110	-0-	24,459,110	-0-
Equity securities	23,436,491	23,439,491	-0-	-0-
Mutual funds - large cap U S companies	6,985,371	6,985,371	-0-	-0-
Mutual funds - mid and small cap U S companies	5,397,725	5,397,725	-0-	-0-
Mutual funds - emerging markets	7,130,925	7,130,925	-0-	-0-
Government agency obligations	78,365,257	-0-	78,365,257	-0-
Corporate bonds and notes	13,959,260	-0-	13,959,260	-0-
Guaranteed investment contract	4,826,038	-0-	4,826,038	-0-
Beneficial interest in a perpetual trust	1,530,970	-0-	1,530,970	-0-
Financial Liabilities				
Interest rate swap agreements (Note 5)	$ 8,409,681	$ -0-	$ 8,409,681	$ -0-
Long-term debt, plus bond premium	119,463,850	-0-	118,153,019	-0-

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

Cash and Cash Equivalents

The carrying amount approximates fair value

Guaranteed Investment Contract

The carrying amount approximates fair value

Long-Term Debt

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

12. SIGNIFICANT ESTIMATES AND CONCENTRATIONS

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

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue, including patient accounts receivable allowances and amounts due to Medicare and Medicaid – estimated, are described in Notes 1 and 2

Medical Malpractice and General Liability Claims

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

Litigation

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

Asset Retirement Obligation

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

Pension Obligation

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

Investments

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

Current Economic Conditions

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

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

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

13. PATIENT PROTECTION AND AFFORDABLE CARE ACT

The *Patient Protection and Affordable Care Act* (PPACA) is substantially reforming the United States health care system The legislation impacts multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid, and insurance companies Starting in 2014, the legislation required the establishment of health insurance exchanges, which provide individuals without employer provided health care coverage the opportunity to purchase insurance It is anticipated that some employers currently offering insurance to employees will opt to have employees seek insurance coverage through the insurance exchanges It is possible that the reimbursement rates paid by insurers participating in the insurance exchanges may be substantially different than rates paid under current health insurance products Another significant component of the PPACA is the expansion of the Medicaid program to a wide range of newly eligible individuals In anticipation of this expansion, payments under certain existing programs, such as Medicare disproportionate share, will be substantially decreased Each state's participation in an expanded Medicaid program is optional

The Commonwealth of Kentucky is participating in the expansion of the Medicaid program

The PPACA is extremely complex and may be difficult for the federal government and each state to implement While the overall impact of the PPACA cannot currently be estimated, it is possible that it will have a negative impact on The Medical Center's net patient service revenue Additionally, it is possible The Medical Center will experience payment delays and other operational challenges during PPACA's implementation

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Report of Independent Auditors, which is the date the consolidated financial statements were issued

BOWLING GREEN – WARREN COUNTY COMMUNITY HOSPITAL CORPORATION D/B/A THE MEDICAL CENTER

COMMUNITY BENEFIT CARE INFORMATION
YEAR ENDED MARCH 31, 2014

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

The following summary quantifies additional community benefit expense in terms of uncompensated care, services to the poor and benefits to the broader community during the fiscal year 2014

Charity care (as described in Note 1, $14,839,467 of charity care costs, less $3,841,310 of subsidies)	$ 10,998,157
Unpaid cost of Medicaid	6,705,942
Community health improvement (includes free community health fairs, screenings, community health education classes and health and wellness projects)	3,322,050
Health professionals education (scholarships and funding for education)	4,473,457
Subsidized health services (including emergency care, obstetrical service line and behavioral health services for which reimbursements do not cover the full cost and Kentucky provider tax to fund care)	5,692,697
Financial and in-kind contributions	54,515
Total charity care and other benefits	31,246,818
Community building activities	444,296
Bad debt (services provided in which payment is expected, but never received)	5,332,924
Unpaid cost of Medicare	14,193,440
Total charity care and other benefits	$ 51,217,478

Community benefits expense represents approximately 18% of total expenses for the fiscal year ended 2014