

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2008

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

For the 2008 calendar year, or tax year beginning 7/01, 2008, and ending 6/30, 2009

Header section containing organization name (Washington County Hospital Association), address, EIN (52-0607949), and tax-exempt status (501(c)(3)).

Part I Summary

Summary section with line 1: Briefly describe the organization's mission or most significant activities: Washington County Hospital Association is an acute care hospital located in Hagerstown, Maryland and serves the residents of western Maryland, southern Pennsylvania and the panhandle of West Virginia.

Table with columns: Revenue, Expenses, Net Assets or Fund Balances. Rows 8-22 showing financial data for Prior Year and Current Year.

Part II Signature Block

Signature block for Raymond A. Grahe, VP/Treasurer, dated 5/14/2010.

Preparer's information for Grant Thornton, LLP, dated 5-13-2010, with firm name and address in McLean, VA.

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

**Part III** Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? See Schedule O

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? See Schedule O

Yes  No

If 'Yes,' describe these changes on Schedule O.

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

4a (Code: ) (Expenses \$ 196,479,607. including grants of \$ ) (Revenue \$ )

See Schedule O

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

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

4d Other program services. (Describe in Schedule O.)

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

4e Total program service expenses ▶ \$ 196,479,607. (Must equal Part IX, Line 25, column (B).)

**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 .....	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? .....	X	
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 .....		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II .....		X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III .....		
6 Did the organization maintain any donor advised funds or any accounts where 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 .....		X
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 .....		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III .....		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV .....		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V .....	X	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If 'Yes,' complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable .....	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII .....		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E .....		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.? .....		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If 'Yes,' complete Schedule F, Part I .....		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II .....		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III .....		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If 'Yes,' complete Schedule G, Part I .....		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II .....		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III .....		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H .....	X	
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II .....		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III .....	X	
23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? If 'Yes,' complete Schedule J .....	X	
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, and that was issued after December 31, 2002? If 'Yes,' answer questions 24b-24d and complete Schedule K. If 'No,' go to question 25 .....	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		X
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? .....		X
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? .....		X
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I .....		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If 'Yes,' complete Schedule L, Part I .....		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II .....		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III .....		X

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If 'Yes,' complete Schedule L, Part IV.</i>	X	
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? <i>If 'Yes,' complete Schedule L, Part IV.</i>	X	
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If 'Yes,' complete Schedule L, Part IV.</i>	X	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>	X	
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X

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Form 990 (2008)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable. <span style="float:right">198</span>		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. <span style="float:right">0</span>		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	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. <span style="float:right">2,561</span>		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
<b>3b</b>	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.	X	
<b>4a</b>	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)?		X
<b>4b</b>	If 'Yes,' enter the name of the foreign country: See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If 'Yes,' to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?		X
<b>6b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
<b>7b</b>	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If 'Yes,' indicate the number of Forms 8282 filed during the year.		
<b>7e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
<b>7h</b>	For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make any distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12.		
<b>10b</b>	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from other members or shareholders.		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.		

**Part VI Governance, Management and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

For each 'Yes' response to lines 2-7b below, and for a 'No' response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body		
<b>1b</b>	Enter the number of voting members that are independent		
<b>2</b>	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? See Schedule O	X	
<b>3</b>	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?		X
<b>4</b>	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders? See Schedule O	X	
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? See Schedule O	X	
<b>7b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? See Sch O	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>9b</b>	If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>10</b>	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 See Schedule O	X	
<b>11</b>	Is there any officer, director or 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		X

**Section B. Policies**

		Yes	No
<b>12a</b>	Does the organization have a written conflict of interest policy? If 'No,' go to line 13.	X	
<b>12b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. See Schedule O	X	
<b>13</b>	Does the organization have a written whistleblower policy?	X	
<b>14</b>	Does the organization have a written document retention and destruction policy?	X	
<b>15</b>	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:		
<b>15a</b>	The organization's CEO, Executive Director, or top management official?	X	
<b>15b</b>	Other officers of key employees of the organization? See Schedule O	X	
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
<b>16b</b>	If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	X	

**Section C. Disclosures**

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ MD
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Schedule O
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:  
 ▶ Raymond A. Grahe 251 E. Antietam St. Hagerstown MD 21740 301-790-8872

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List 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) or more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and 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 the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Rodney Shoop Director	3	X					0.	0.	0.	
Jeffrey D Jones MD Director	3	X					0.	0.	0.	
Gregory Snook Director	3	X					0.	0.	0.	
William Su MD Director	3	X					0.	0.	0.	
William Wright Chairman	3	X		X			0.	0.	0.	
Cynthia Pellegrino Vice Chairman	3	X		X			0.	0.	0.	
James P Hamill President & CEO	50			X			608,173.	0.	29,559.	
Raymond Grahe VP/Treasurer	50			X			347,844.	0.	32,675.	
Nancy Rothrock Secretary	40			X			58,539.	0.	11,329.	
Carey Leverett Vice President	50				X		180,842.	0.	24,152.	
Deborah Addo Vice President	50				X		223,878.	0.	23,970.	
Carolyn Simonsen Vice President	50				X		196,688.	0.	15,031.	
Mary Towe Vice President	50				X		201,878.	0.	16,181.	
T. Michael White Vice President	50				X		241,758.	0.	13,871.	
T. Brooks McBurney Vice President	50				X		225,766.	0.	26,645.	
Kelly Corbi Vice President	50				X		0.	0.	0.	
Michael Zampelli Vice President	10				X		0.	303,132.	33,565.	

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
Matthew Wagner, M.D. Physician	50					X		292,294.	0.	20,299.
Garry Seligman, M.D. Physician	50					X		223,912.	0.	27,257.
Allan Field Executive	50					X		193,291.	0.	11,154.
Adriana Maldonado-Brem Physician	50					X		175,340.	0.	25,979.
Aurelio Zerla Physician	50					X		181,735.	0.	21,360.
<b>1 b Total</b>								<b>3,351,938.</b>	<b>303,132.</b>	<b>333,027.</b>

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ▶ 81

	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.		X
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.	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If 'Yes,' complete Schedule J for such person.		X

**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.

(A) Name and business address	(B) Description of Services	(C) Compensation
National Healing 4500 Bowling Blvd Ste 200 Louisville, KY 40207	Medical	2,895,469.
Blue Ridge Anesthesia Asso 119 King Street Hagerstown, MD 21740	Medical	1,562,653.
Wash Co Emer Med Phys LLC 419 Redwood St Ste 280 Baltimore, MD 21201	Medical	935,443.
EmCare Inc. 7032 Collection Center Drive Chicago, IL 60693	Medical	909,375.
Marc Kross MD 12903 Lance Circle Hagerstown, MD 21742	Medical	526,879.

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ▶ 62



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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 U.S. See Part IV, line 21.				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22.	116,031.	116,031.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	2,479,946.	0.	2,479,946.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.	97,321,762.	83,696,715.	13,625,047.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).	1,066,038.	852,830.	213,208.	
9 Other employee benefits.	19,495,316.	15,596,253.	3,899,063.	
10 Payroll taxes.	7,266,663.	5,813,330.	1,453,333.	
11 Fees for services (non-employees).				
a Management.	73,300.	58,640.	14,660.	
b Legal.	309,174.	247,339.	61,835.	
c Accounting.	159,699.	127,759.	31,940.	
d Lobbying.				
e Prof fundraising svcs. See Part IV, ln 17.				
f Investment management fees.	84,914.	67,931.	16,983.	
g Other.	16,789,273.	13,431,418.	3,357,855.	
12 Advertising and promotion.	781,726.	625,381.	156,345.	
13 Office expenses.	1,452,992.	1,162,394.	290,598.	
14 Information technology.	1,359,722.	1,087,778.	271,944.	
15 Royalties.				
16 Occupancy.	3,392,826.	2,714,261.	678,565.	
17 Travel.	608,870.	487,096.	121,774.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	276,262.	221,010.	55,252.	
20 Interest.	683,606.	410,164.	273,442.	
21 Payments to affiliates.	449,710.	359,768.	89,942.	
22 Depreciation, depletion, and amortization.	13,144,993.	7,886,996.	5,257,997.	
23 Insurance.	1,968,594.	1,574,875.	393,719.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>Medical supplies</u>	49,197,476.	39,357,981.	9,839,495.	
b <u>Prov for uncollectible acc</u>	12,231,433.	9,785,146.	2,446,287.	
c <u>Physician fees</u>	9,284,943.	7,427,954.	1,856,989.	
d <u>Equipment maintenance</u>	2,320,506.	1,856,405.	464,101.	
e <u>Purchased linen service</u>	797,413.	637,930.	159,483.	
f All other expenses.	1,095,278.	876,222.	219,056.	
25 Total functional expenses. Add lines 1 through 24f.	244,208,466.	196,479,607.	47,728,859.	0.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
ASSETS	1 Cash — non-interest-bearing .....	47,437.	1	62,471.
	2 Savings and temporary cash investments .....	11,841,125.	2	18,349,009.
	3 Pledges and grants receivable, net .....		3	
	4 Accounts receivable, net .....	35,065,251.	4	34,949,704.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L .....		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L .....		6	
	7 Notes and loans receivable, net .....	4,746,633.	7	5,949,655.
	8 Inventories for sale or use .....	4,565,043.	8	5,035,585.
	9 Prepaid expenses and deferred charges .....	6,282,087.	9	6,101,525.
	10a Land, buildings, and equipment: cost basis .....	10a 274,097,787.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D .....	10b 131,434,227.		
	11 Investments — publicly-traded securities .....	67,342,646.	10c	142,663,560.
	12 Investments — other securities. See Part IV, line 11 .....	22,337,926.	11	14,927,678.
	13 Investments — program-related. See Part IV, line 11 .....		12	
	14 Intangible assets .....		13	
	15 Other assets. See Part IV, line 11 .....		14	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	262,325,633.	15	201,131,630.	
	414,553,781.	16	429,170,817.	
LIABILITIES	17 Accounts payable and accrued expenses .....	30,035,638.	17	46,087,049.
	18 Grants payable .....		18	
	19 Deferred revenue .....		19	
	20 Tax-exempt bond liabilities .....	262,855,182.	20	262,855,182.
	21 Escrow account liability. Complete Part IV of Schedule D .....		21	
	22 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 .....	10,745,179.	23	10,805,495.
	24 Unsecured notes and loans payable .....		24	
	25 Other liabilities. Complete Part X of Schedule D .....	1,794,150.	25	14,064,672.
	26 <b>Total liabilities.</b> Add lines 17 through 25 .....	305,430,149.	26	333,812,398.
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29 and lines 33 and 34.</b>			
	27 Unrestricted net assets .....	103,397,543.	27	89,313,831.
	28 Temporarily restricted net assets .....	4,697,471.	28	5,015,970.
	29 Permanently restricted net assets .....	1,028,618.	29	1,028,618.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds .....		30	
	31 Paid-in or capital surplus, or land, building, and equipment fund .....		31	
	32 Retained earnings, endowment, accumulated income, or other funds .....		32	
33 <b>Total net assets or fund balances.</b> .....	109,123,632.	33	95,358,419.	
34 <b>Total liabilities and net assets/fund balances.</b> .....	414,553,781.	34	429,170,817.	

**Part XI Financial Statements and Reporting**

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? .....		X
2b	Were the organization's financial statements audited by an independent accountant? .....		X
2c	If 'Yes' to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....		
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? .....	X	
3b	If 'Yes,' did the organization undergo the required audit or audits? .....	X	

BAA

SCHEDULE A  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501 (c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

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: (Please check only one organization.)

- 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 cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 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). (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I
  - b  Type II
  - c  Type III -- Functionally integrated
  - d  Type III-- Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that 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? .....	11 g (i)	
(ii) a family member of a person described in (i) above? .....	11 g (ii)	
(iii) a 35% controlled entity of a person described in (i) or (ii) above? .....	11 g (iii)	

h Provide the following information about the organizations the organization supports.

(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 Support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**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.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants.') ...						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf. ....						
<b>3</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge. ....						
<b>4 Total.</b> Add lines 1-3. ....						
<b>5</b> 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) ...						
<b>6 Public support.</b> Subtract line 5 from line 4. ....						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4. ....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources. ....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on. ....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) ....						
<b>11 Total support.</b> Add lines 7 through 10. ....						
<b>12</b> Gross receipts from related activities, etc. (see instructions). ....					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)). ....	<b>14</b>	%
<b>15</b> Public support percentage for 2007 Schedule A, Part IV-A, line 26f. ....	<b>15</b>	%
<b>16a 33-1/3 support test – 2008.</b> If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. ....	<input type="checkbox"/>	
<b>b 33-1/3 support test – 2007.</b> 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. ....	<input type="checkbox"/>	
<b>17a 10%-facts-and-circumstances test – 2008.</b> 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. ....	<input type="checkbox"/>	
<b>b 10%-facts-and-circumstances test – 2007.</b> 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. ....	<input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ....	<input type="checkbox"/>	

**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.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)...						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose.						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1-5						
<b>7a</b> Amounts included on lines 1, 2, 3 received from disqualified persons.						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (add lns 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 section 501(c)(3) organization, check this box and stop here.

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)).	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)).	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	<b>18</b>	%

**19a 33-1/3 support tests — 2008.** 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 — 2007.** If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization.

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

**Part IV** **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Lined area for supplemental information.

**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ **Attach to Form 990, 990-EZ and 990-PF**  
▶ **See separate instructions.**

OMB No. 1545-0047

**2008**

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

**General Rule –**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules –**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year.) ..... ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.**

**Schedule B (Form 990, 990-EZ, or 990-PF) (2008)**

Name of organization

Employer identification number

Washington County Hospital Association

52-0607949

**Part I** Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Ant. Healthcare Found. Grants ----- 251 East Antietam Street ----- Hagerstown, MD 21740 -----	\$ 477,646. -----	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Mental Health Authority ----- 401 East Antietam Street ----- Hagerstown, MD 21740 -----	\$ 65,376. -----	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- ----- -----	\$ ----- -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- ----- -----	\$ ----- -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- ----- -----	\$ ----- -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
-----	----- ----- ----- -----	\$ ----- -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



Name of organization

Employer identification number

Washington County Hospital Association

52-0607949

**Part II** Noncash Property (see instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A		
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

BAA

Name of organization: **Washington County Hospital Association**  
 Employer identification number: **52-0607949**

**Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year.** (Complete cols (a) through (e) and the following line entry.)

For organizations completing Part III, enter total of exclusively religious, charitable, etc, contributions of \$1,000 or less for the year. (Enter this information once – see instructions.) ..... \$ **N/A**

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

Open to Public Inspection

Name of the organization

Employer identification number

Washington County Hospital Association

52-0607949

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4.

- 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?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit??

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easement it holds?
6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
b If the organization elected, as permitted under SFAS 116, 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 the following amounts relating to these items:
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

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

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

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

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

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

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

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

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

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

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

b If 'Yes,' explain the arrangement in Part XIV.

**Part V Endowment Funds** Complete if 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
1 a Beginning of year balance	1,031,425.				
b Contributions					
c Investment earnings or losses	29,534.				
d Grants or scholarships					
e Other expenditures for facilities and programs	4,917.				
f Administrative expenses					
g End of year balance	1,056,042.				

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

- a Board designated or quasi-endowment  %
- b Permanent endowment  97.00 %
- c Term endowment  3.00 %

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book Value
1 a Land		3,430,773.		3,430,773.
b Buildings		42,356,129.	37,647,377.	4,708,752.
c Leasehold improvements				
d Equipment		121,481,649.	93,786,850.	27,694,799.
e Other		106,829,236.		106,829,236.
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				142,663,560.

**Part VII** Investments—Other Securities See Form 990, Part X, line 12. N/A

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

**Part VIII** Investments—Program Related (See Form 990, Part X, line 13) N/A

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

**Part IX** Other Assets (See Form 990, Part X, line 15)

(a) Description	(b) Book value
Assets held by trustee-debt & construct.	181,167,358.
Inv in Golden Advantage	-24,828.
Inv in MD E-Care	21,000.
Inv in MD Physicians Care	8,248,520.
Investment in PHO	1,146,577.
Mutual funds	3,571,387.
Net assets held by Ant Health Foundation	4,928,037.
Other assets	2,073,579.
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<b>Total.</b> Column (b) Total (should equal Form 990, Part X, col.(B), line 15) ▶	201,131,630.

**Part X** Other Liabilities (See Form 990, Part X, line 25)

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Accrued retirement benefits	9,344,470.
Other liabilities	4,720,202.
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<b>Total.</b> Column (b) Total (should equal Form 990, Part X, col. (B) line 25) ▶	14,064,672.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements** N/A

1	Total revenue (Form 990, Part VIII, column (A), line 12)	
2	Total expenses (Form 990, Part IX, column (A), line 25)	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net). Add lines 4-8	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** N/A

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

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return** N/A

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

**Part XIV Supplemental Information**

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

**Part V, Line 4 - Intended Uses Of Endowment Fund**

Charity care

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**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2008**

Department of the Treasury  
Internal Revenue Service

▶ To be completed by organizations that answer 'Yes' to Form 990,  
Part IV, line 20.

▶ Attach to Form 990.

**Open to Public  
Inspection**

<b>Name of the organization</b> Washington County Hospital Association	<b>Employer identification number</b> 52-0607949
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**Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)**

		Yes	No
<b>1a</b> Does the organization have a charity care policy? If 'No,' skip to question 6a. ....	<b>1a</b>		
<b>b</b> If 'Yes,' is it a written policy? .....	<b>1b</b>		
<b>2</b> If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> applied uniformly to all hospitals <input type="checkbox"/> applied uniformly to most hospitals <input type="checkbox"/> generally tailored to individual hospital			
<b>3</b> Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients. <b>a</b> Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If 'Yes,' indicate which of the following is the family income limit for eligibility for free care: ..... <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	<b>3a</b>		
<b>b</b> Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If 'Yes,' indicate which of the following is the family income limit for eligibility for discounted care: ..... <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<b>3b</b>		
<b>c</b> If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
<b>4</b> Does the organization's policy provide free or discounted care to the 'medically indigent'? .....	<b>4</b>		
<b>5a</b> Does the organization budget amounts for free or discounted care provided under its charity care policy? .....	<b>5a</b>		
<b>b</b> If 'Yes,' did the organization's charity care expenses exceed the budgeted amount? .....	<b>5b</b>		
<b>c</b> If 'Yes' to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? .....	<b>5c</b>		
<b>6a</b> Does the organization prepare an annual community benefit report? .....	<b>6a</b>		
<b>b</b> If 'Yes,' does the organization make it available to the public? .....	<b>6b</b>		
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

	(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
<b>7 Charity Care and Certain Other Community Benefits at Cost</b>						
<b>Charity Care and Means-Tested Government Programs</b>						
<b>a</b> Charity care at cost (from Worksheets 1 and 2) .....						
<b>b</b> Unreimbursed Medicaid (from Worksheet 3, column a) .....						
<b>c</b> Unreimbursed costs — other means-tested government programs (from Worksheet 3, column b) .....						
<b>d</b> Total Charity Care and Means-Tested Government Programs .....						
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....						
<b>f</b> Health professions education (from Worksheet 5) .....						
<b>g</b> Subsidized health services (from Worksheet 6) .....						
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions to community groups (from Worksheet 8) .....						
<b>j</b> Total Other Benefits .....						
<b>k</b> Total (line 7d and 7j) .....						



**Part II Community Building Activities** Complete this table if the organization conducted any community building activities. (Optional for 2008)

	(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
1 Physical improvements and housing . . . . .						
2 Economic development . . . . .						
3 Community support . . . . .						
4 Environmental improvements . . . . .						
5 Leadership development and training for community members . . . . .						
6 Coalition building . . . . .						
7 Community health improvement advocacy . . . . .						
8 Workforce development . . . . .						
9 Other . . . . .						
10 Total . . . . .						

**Part III Bad Debt, Medicare, & Collection Practices** (Optional for 2008)

**Section A. Bad Debt Expense**

- Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? . . . . .
- Enter the amount of the organization's bad debt expense (at cost) . . . . .
- Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy . . . . .
- Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.

	Yes	No
1		
2		
3		
4		
5		
6		
7		
9a		
9b		

**Section B. Medicare**

- Enter total revenue received from Medicare (including DSH and IME) . . . . .
- Enter Medicare allowable costs of care relating to payments on line 5 . . . . .
- Enter line 5 less line 6 – surplus or (shortfall) . . . . .
- Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used:  
 cost accounting system       cost to charge ratio       Other

**Section C. Collection Practices**

- Does the organization have a written debt collection policy? . . . . .
- If 'Yes,' does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI . . . . .

**Part IV Management Companies and Joint Ventures** (Optional for 2008)

	(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					
14					

**Part V** Facility Information (Required for 2008)

Name and address	Licensed Hospital	General medical and surgical	Child- ren's hospital	Teachin g hospital	Critical access hospital	Re- search facility	ER- 24 hours	ER- other	Other (describe)
Washington County Hospital 251 East Antietam Street Hagerstown, MD 21740	X	X			X		X		
Walnut Street Community Health 24 North Walnut Street Hagerstown, MD 21740									Health services
WCH Home Health Care 1799 Howell Road Hagerstown, MD 21740									Home health care
Robinwood Medical Center 11110 Medical Campus Road Hagerstown, MD 21742		X						X	Physician practices
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**Part VI** Supplemental Information (Optional for 2008)

Complete this part to provide the following information.

- 1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.
- 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 charity care policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.
- 6 Provide any other information important to describing how the organization's hospitals 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.).
- 7 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.
- 8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

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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 U.S.

▶ Complete if the organization answered 'Yes,' on Form 990, Part IV, lines 21 or 22.  
▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public  
Inspection

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

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. See Part IV

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered 'Yes' on Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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
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2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. TEEA3901L 12/19/08 Schedule I (Form 990) 2008

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
HSCRC Nursing Grant	13	116,031.		N/A	N/A

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

**Part I, Line 2 - Grantmaker's Description of How Grants are Used**

The HSCRC grant provides money to employees of the Hospital who are enrolled in the Hagerstown Community College nursing program. The grant program pays for all of the student's tuition, books, fees and offers a living stipend of up to \$7,000 per year with an agreement that upon graduation the student will work for the Hospital as a registered nurse. The grant also provides monies for registered nurses who are working on their MSN in education. Each award recipient will be required to sign a Service Card Agreement with the Washington County Hospital. The length of payback will be one year of service (equivalent to 2,080 hours of service) for each year of the grant you receive. The program is five semesters long and most recipients will owe 4,160 hours.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

**Attach to Form 990. To be completed by organizations that  
answered 'Yes' to Form 990, Part IV, line 23.**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

<b>Name of the organization</b> Washington County Hospital Association	<b>Employer identification number</b> 52-0607949
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**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input checked="" type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</b> If line 1a is 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 .....	<b>1b</b> X	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....	<b>2</b> X	
<b>3</b> Indicate which, if any, of the following organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
<input checked="" type="checkbox"/> Compensation committee		
<input checked="" type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input checked="" type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a:		
<b>a</b> Receive a severance payment or change of control payment? .....	<b>4a</b>	X
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....	<b>4b</b> X	
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....	<b>4c</b>	X
If 'Yes' to any of 4a-c, list the persons and provide the applicable amounts for each item in Part III. See Part II		
<b>Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.</b>		
<b>5</b> 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:		
<b>a</b> The organization? .....	<b>5a</b>	X
<b>b</b> Any related organization? .....	<b>5b</b>	X
If 'Yes' to line 5a or 5b, describe in Part III.		
<b>6</b> 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:		
<b>a</b> The organization? .....	<b>6a</b>	X
<b>b</b> Any related organization? .....	<b>6b</b>	X
If 'Yes' to line 6a or 6b, describe in Part III.		
<b>7</b> For person 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. ....	<b>7</b>	X
<b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If 'Yes,' describe in Part III .....	<b>8</b>	X

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule J (Form 990) 2008

**Part III Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(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 and incentive compensation	(iii) Other compensation				
James P Hamill	419,269. (i)	125,000. (ii)	63,904. (iii)	11,500. (C)	18,059. (D)	637,732. (E)	212,503. (F)
Raymond Grahe	292,239. (i)	50,000. (ii)	5,605. (iii)	21,850. (C)	10,825. (D)	380,519. (E)	159,024. (F)
Carey Leverett	155,271. (i)	21,400. (ii)	4,171. (iii)	10,932. (C)	13,220. (D)	204,994. (E)	79,331. (F)
Deborah Addo	195,906. (i)	25,800. (ii)	2,172. (iii)	13,326. (C)	10,644. (D)	247,848. (E)	100,685. (F)
Carolyn Simonsen	166,842. (i)	23,900. (ii)	5,946. (iii)	8,622. (C)	6,409. (D)	211,719. (E)	86,736. (F)
Mary Towe	178,869. (i)	22,700. (ii)	309. (iii)	13,239. (C)	2,942. (D)	218,059. (E)	83,115. (F)
T. Michael White	216,212. (i)	18,600. (ii)	6,946. (iii)	3,362. (C)	10,509. (D)	255,629. (E)	68,754. (F)
T. Brooks McBurn	196,360. (i)	23,000. (ii)	6,406. (iii)	16,254. (C)	10,391. (D)	252,411. (E)	93,679. (F)
Michael Zampelli	0. (i)	0. (ii)	0. (iii)	0. (C)	0. (D)	0. (E)	0. (F)
Matthew Wagner,	262,666. (i)	34,898. (ii)	5,568. (iii)	20,087. (C)	13,478. (D)	336,697. (E)	126,443. (F)
Garry Seligman,	288,748. (i)	0. (ii)	3,546. (iii)	6,900. (C)	13,399. (D)	312,593. (E)	123,660. (F)
Allan Field	217,828. (i)	0. (ii)	6,084. (iii)	14,271. (C)	12,986. (D)	251,169. (E)	109,388. (F)
Adriana Maldonad	173,966. (i)	16,400. (ii)	2,925. (iii)	8,831. (C)	2,323. (D)	204,445. (E)	0. (F)
Aurelio Zerla	165,823. (i)	0. (ii)	9,517. (iii)	9,035. (C)	16,944. (D)	201,319. (E)	91,690. (F)
	178,424. (i)	0. (ii)	3,311. (iii)	8,633. (C)	12,727. (D)	203,095. (E)	84,639. (F)
	0. (i)	0. (ii)	0. (iii)	0. (C)	0. (D)	0. (E)	0. (F)
	0. (i)	0. (ii)	0. (iii)	0. (C)	0. (D)	0. (E)	0. (F)
	0. (i)	0. (ii)	0. (iii)	0. (C)	0. (D)	0. (E)	0. (F)

**Part III Supplemental Information**

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

**Part I, Line 4 - Received Severance, Supplemental NQ Retirement, Equity-Based Compensation**

James Hamill - \$63,708



**SCHEDULE K  
(Form 990)**

**Supplemental Information on Tax Exempt Bonds**

**2008**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O.

Open to Public Inspection

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

**Part I Bond Issues (Required for 2008)**

(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	
						Yes	No	Yes	No
A MD Hlth & Hig Ed Fac Aut 52-0936091		574217Q81	2/12/2008	3,335,000.	Construction-new hospital		X		X
B MD Hlth & Hig Ed Fac Aut 52-0936091		574217Q99	2/12/2008	3,500,000.	Construction-new hospital		X		X
C MD Hlth & Hig Ed Fac Aut 52-0936091		574217R31	2/12/2008	3,155,000.	Construction-new hospital		X		X
D MD Hlth & Hig Ed Fac Aut 52-0936091		574217R23	2/12/2008	500,000.	Construction-new hospital		X		X
E MD Hlth & Hig Ed Fac Aut 52-0936091		574217R49	2/12/2008	3,810,000.	Construction-new hospital		X		X

**Part II Proceeds (Optional for 2008)**

	A		B		C		D		E
	Yes	No	Yes	No	Yes	No	Yes	No	
1 Total proceeds of issue									
2 Gross proceeds in reserve funds									
3 Proceeds in refunding or defeasance escrows									
4 Other unspent proceeds									
5 Issuance costs from proceeds									
6 Working capital expenditures from proceeds									
7 Capital expenditures from proceeds									
8 Year of substantial completion									
9 Were the bonds issued as part of a current refunding issue?									
10 Were the bonds issued as part of an advance refunding issue?									
11 Has the final allocation of proceeds been made?									
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?									

**Part III Private Business Use (Optional for 2008)**

	A		B		C		D		E
	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?									
2 Are there any lease arrangements with respect to the financed property which may result in private business use?									

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule K (Form 990) 2008

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?										
<b>3b</b> Are there any research agreements with respect to the financed property which may result in private business use?										
<b>3c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government.										
<b>5</b> 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 501(c)(3) organization, or a state or local government.										
<b>6</b> Total of lines 4 and 5										
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

**Part IV Arbitrage (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T been filed with respect to the bond issue?										
<b>2</b> Is the bond issue a variable rate issue?										
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
<b>b</b> Name of provider										
<b>c</b> Term of hedge										
<b>4a</b> Were gross proceeds invested in a GIC?										
<b>b</b> Name of provider										
<b>c</b> Term of GIC										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
<b>5</b> Were any gross proceeds invested beyond an available temporary period?										
<b>6</b> Did the bond issue qualify for an exception to rebate?										

BAA

Schedule K (Form 990) 2008

SCHEDULE K (Form 990)

Supplemental Information on Tax Exempt Bonds

2008

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O.

Open to Public Inspection

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

Part I Bond Issues (Required for 2008)

Table with columns: (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. Rows include MD Hlth & Hig Ed Fac Aut 52-0936091, etc.

Part II Proceeds (Optional for 2008)

Table with columns: A, B, C, D, E. Rows include Total proceeds of issue, Gross proceeds in reserve funds, Proceeds in refunding or defeasance escrows, etc.

Part III Private Business Use (Optional for 2008)

Table with columns: A, B, C, D, E. Rows include Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? Are there any lease arrangements with respect to the financed property which may result in private business use?

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

Schedule K (Form 990) 2008

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?										
<b>3b</b> Are there any research agreements with respect to the financed property which may result in private business use?										
<b>3c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government.										
<b>5</b> 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 501(c)(3) organization, or a state or local government.										
<b>6</b> Total of lines 4 and 5										
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

**Part IV Arbitrage (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T been filed with respect to the bond issue?										
<b>2</b> Is the bond issue a variable rate issue?										
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
<b>b</b> Name of provider										
<b>c</b> Term of hedge										
<b>4a</b> Were gross proceeds invested in a GIC?										
<b>b</b> Name of provider										
<b>c</b> Term of GIC										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
<b>5</b> Were any gross proceeds invested beyond an available temporary period?										
<b>6</b> Did the bond issue qualify for an exception to rebate?										

**SCHEDULE K**  
(Form 990)

**Supplemental Information on Tax Exempt Bonds**

**2008**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O.

Open to Public Inspection

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

**Part I Bond Issues (Required for 2008)**

	(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	
							Yes	No	Yes	No
A	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S22	2/12/2008	4,555,000.	Construction-new hospital		X		X
B	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S30	2/12/2008	4,785,000.	Construction-new hospital		X		X
C	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S48	2/12/2008	5,020,000.	Construction-new hospital		X		X
D	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S55	2/12/2008	5,285,000.	Construction-new hospital		X		X
E	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S63	2/12/2008	5,565,000.	Construction-new hospital		X		X

**Part II Proceeds (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Total proceeds of issue.....									
2	Gross proceeds in reserve funds.....									
3	Proceeds in refunding or defeasance escrows.....									
4	Other unspent proceeds.....									
5	Issuance costs from proceeds.....									
6	Working capital expenditures from proceeds.....									
7	Capital expenditures from proceeds.....									
8	Year of substantial completion.....									
9	Were the bonds issued as part of a current refunding issue?.....									
10	Were the bonds issued as part of an advance refunding issue?.....									
11	Has the final allocation of proceeds been made?.....									
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?.....									

**Part III Private Business Use (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	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?.....									
2	Are there any lease arrangements with respect to the financed property which may result in private business use?.....									

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule K (Form 990) 2008

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?										
<b>3b</b> Are there any research agreements with respect to the financed property which may result in private business use?										
<b>3c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government.										
<b>5</b> 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 501(c)(3) organization, or a state or local government.										
<b>6</b> Total of lines 4 and 5										
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

**Part IV Arbitrage (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T been filed with respect to the bond issue?										
<b>2</b> Is the bond issue a variable rate issue?										
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
<b>b</b> Name of provider										
<b>c</b> Term of hedge										
<b>4a</b> Were gross proceeds invested in a GIC?										
<b>b</b> Name of provider										
<b>c</b> Term of GIC										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
<b>5</b> Were any gross proceeds invested beyond an available temporary period?										
<b>6</b> Did the bond issue qualify for an exception to rebate?										

BAA

**SCHEDULE K**  
**(Form 990)**

**Supplemental Information on Tax Exempt Bonds**

**2008**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O.

Open to Public Inspection

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

**Part I Bond Issues (Required for 2008)**

	(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	
							Yes	No	Yes	No
A	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S71	2/12/2008	33,010,000.	Construction-new hospital		X		X
B	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S97	2/12/2008	58,130,000.	Construction-new hospital		X		X
C	MD Hlth & Hig Ed Fac Aut 52-0936091		574217S89	2/12/2008	43,950,000.	Construction-new hospital		X		X
D	MD Hlth & Hig Ed Fac Aut 52-0936091		574217T21	2/12/2008	77,265,000.	Construction-new hospital		X		X
E										

**Part II Proceeds (Optional for 2008)**

	A					B					C					D					E				
	Yes	No	Yes	No	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No				
1	Total proceeds of issue																								
2	Gross proceeds in reserve funds																								
3	Proceeds in refunding or defeasance escrows																								
4	Other unspent proceeds																								
5	Issuance costs from proceeds																								
6	Working capital expenditures from proceeds																								
7	Capital expenditures from proceeds																								
8	Year of substantial completion																								
9	Were the bonds issued as part of a current refunding issue?																								
10	Were the bonds issued as part of an advance refunding issue?																								
11	Has the final allocation of proceeds been made?																								
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?																								

**Part III Private Business Use (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	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?									
2	Are there any lease arrangements with respect to the financed property which may result in private business use?									

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule K (Form 990) 2008

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?										
<b>3b</b> Are there any research agreements with respect to the financed property which may result in private business use?										
<b>3c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government.										
<b>5</b> 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 501(c)(3) organization, or a state or local government.										
<b>6</b> Total of lines 4 and 5.										
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

**Part IV Arbitrage (Optional for 2008)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T been filed with respect to the bond issue?										
<b>2</b> Is the bond issue a variable rate issue?										
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
<b>b</b> Name of provider.										
<b>c</b> Term of hedge.										
<b>4a</b> Were gross proceeds invested in a GIC?										
<b>b</b> Name of provider.										
<b>c</b> Term of GIC.										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
<b>5</b> Were any gross proceeds invested beyond an available temporary period?										
<b>6</b> Did the bond issue qualify for an exception to rebate?										



**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions with Interested Persons**

▶ Attach to Form 990 or Form 990-EZ.  
▶ To be completed by organizations that answered  
'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, line 38a or 40b.

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization <b>Washington County Hospital Association</b>	Employer identification number <b>52-0607949</b>
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**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

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

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

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

**Part II Loans to and/or From Interested Persons.**  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
<b>Total</b>				▶ \$ _____						

**Part III Grants or Assistance Benefitting Interested Persons.**  
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 27.

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

**Part IV Business Transactions Involving Interested Persons.**  
To be completed by organizations that 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
William Su, MD	Director	174,794.	ED coverage & on-call		X
The Columbia Bank	Bus-R. Grahe	240,476.	Fees for banking		X
Jeffrey Jones, MD	Director	140,400.	Medical Director		X
Todd Snook	Fam-G. Snook	31,509.	Lease agreement		X
Greg Snook	Director	109,233.	Business-lease		X

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

Washington County Hospital Association

**Part I Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
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**Part II Identification of Related Tax-Exempt Organizations**

(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
Washington Co Hospital Endowment Fund 251 East Antietam Street Hagerstown, MD 21740 23-7411960	Develops rental properties	MD	501(c)(3)	11	N/A
Washington County Health System Inc 251 East Antietam Street Hagerstown, MD 21740 52-1656378	Parent corporation	MD	501(c)(3)	11	N/A
Antietam Healthcare Foundation Inc 251 East Antietam Street Hagerstown, MD 21740 01-0639265	Fundraising	MD	501(c)(3)	11	N/A
-----					

OMB No. 1545-0047

**2008**

▶ Attach to Form 990. To be completed by organizations that answered 'Yes' to Form 990, Part IV, lines 33, 34, 35, 36, or 37.  
▶ See separate instructions.

Open to Public Inspection

Employer identification number

52-0607949

**Part III Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No
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**Part IV Identification of Related Organizations Taxable as a Corporation or Trust**

(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
Antietam Insurance Company Ltd P.O. Box 1109GT Grand Cayman, Cayman Islands 98-0162257	Captive ins	Cayman Isl	WCHS	C corp	0.	0.	100.00
Antietam Health Services Inc 11140 Medical Campus Road Hagerstown, MD 21742 52-1393624	Health serv	MD	WCHS	C corp	0.	0.	100.00
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**Part V Transactions With Related Organizations**

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

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

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		X
<b>b</b> Gift, grant, or capital contribution to other organization(s)		X
<b>c</b> Gift, grant, or capital contribution from other organization(s)	X	
<b>d</b> Loans or loan guarantees to or for other organization(s)	X	
<b>e</b> Loans or loan guarantees by other organization(s)	X	
<b>f</b> Sale of assets to other organization(s)		X
<b>g</b> Purchase of assets from other organization(s)		X
<b>h</b> Exchange of assets		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s)	X	
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s)	X	
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s)	X	
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s)	X	
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets	X	
<b>n</b> Sharing of paid employees	X	
<b>o</b> Reimbursement paid to other organization for expenses	X	
<b>p</b> Reimbursement paid by other organization for expenses	X	
<b>q</b> Other transfer of cash or property to other organization(s)	X	
<b>r</b> Other transfer of cash or property from other organization(s)	X	

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

	(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(1)	Washington Co Hospital Endowment Fund	j	1,814,603.
(2)	Washington Co Hospital Endowment Fund	k	48,155.
(3)	Washington Co Hospital Endowment Fund	p	133,462.
(4)	Washington County Health System Inc	p	31,971.
(5)	Antietam Healthcare Foundation Inc	c	477,645.
(6)	Antietam Healthcare Foundation Inc	l	358,380.

**Part VI Unrelated Organizations Taxable as a Partnership**

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 asset 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) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Dispropor- tionate allocations?		(G) Code V-UBI amount in Box 20 of Schedule K-1 Form (1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

**Part V Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
Antietam Healthcare Foundation Inc	m	4,928,037.
Antietam Healthcare Foundation Inc	p	667,494.
Antietam Insurance Company Ltd	o	1,596,805.
Antietam Insurance Company Ltd	p	743,594.
Antietam Health Services Inc	d	689,371.
Antietam Health Services Inc	i	180,970.
Antietam Health Services Inc	k	1,156,971.
Antietam Health Services Inc	l	14,961,960.
Antietam Health Services Inc	n	662,238.
Antietam Health Services Inc	o	377,521.
Antietam Health Services Inc	p	2,377,436.

**SCHEDULE O**  
**(Form 990)**

**Supplemental Information to Form 990**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

Name of the organization

Washington County Hospital Association

Employer identification number

52-0607949

**Part I, Line 6 - Volunteers**

The Washington County Hospital Association ("Hospital") receives volunteers that are recruited by the Washington County Hospital Auxiliary, Inc. ("Auxiliary"). The mission of the Auxiliary is to cooperate and assist in the work of the Hospital by promoting the Hospital's work in the community and supplementing the work of the staff of the Hospital.

**Part IV, Line 12**

The Hospital is audited as part of the consolidated audit of the Washington County Health System entities. The Hospital received consolidated audited financial statements prepared in accordance with GAAP from an independent accounting firm.

**Part VI, Line 16a**

The Hospital holds a 25% equity interest in Maryland Care, Inc. Maryland Care, Inc. is a managed care organization ("MCO") that was established to serve Maryland's Medicaid population as a result of the State's requirement for Medicaid patients to be a member of an MCO.

The Hospital holds a 50% equity interest in Tri-State Health Partners ("THP"). THP is an innovative physician-hospital organization ("PHO") established to organize, assemble and facilitate the provision of cost effective health care services. The partnership consists of more than 200 local physicians and the Hospital. THP is involved in the medical management of more than 6,000 covered lives through regional self-insured businesses. In April of 2009, THP developed a clinical integration program that was approved by the Federal Trade Commission ("FTC"). THP has one of only three clinical integration programs that have been approved by the FTC to date.

Within a clinical integration program, physicians agree to work together with a high degree of cooperation, collaboration and mutual interdependence that focuses on

Name of the organization

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(continued)

improving the quality of care they collectively provide. Physicians use electronic health record technology to coordinate treatment among the patients' healthcare providers, which can substantially reduce the cost of care.

Part XI, Line 25

The Hospital is audited as part of the consolidated audit of the Washington County Health System entities. The Hospital received consolidated audited financial statements prepared in accordance with GAAP from an independent accounting firm.

Part VI, Line 16b

As defined by the Hospital's bylaws which state the process for joint venture activity, a joint venture arrangement with a taxable entity would first be evaluated by the the Hospital Board and the Washington County Health System Board. After presentation and approval by those two boards, the Finance & Capital Board of the Washington County Health System ("System") would evaluate the financial implications of the joint venture. The Audit & Business Integrity Committee of the System Board would analyze any possible interested party transactions and the limitations and prohibitions associated with the section 501(c) (3) status of the Hospital. The System Board would ultimately need to approve any joint venture resolutions.

Form 990, Part III, Line 1 - Organization Mission

The mission of Washington County Hospital Association ("Hospital") is to be the most effective provider of health services in our service area through:

- (1) Leadership and responsiveness to our community's healthcare needs;
- (2) Accessibility of those services in partnership with our extended community;
- (3) The high level of respect we afford our patients, physicians, customers, and employees.



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**Form 990, Part III, Line 1 - Organization Mission (continued)**

The Hospital will succeed in accomplishing its mission of ensuring it is the community's preeminent quality healthcare provider via a five-part strategy. This strategy includes:

- (1) Creating and enhancing regional healthcare through an integrated delivery system;
- (2) Forming a framework of partnerships and affiliations;
- (3) Establishing centers of excellence in partnership with the medical community;
- (4) Providing excellent health education in cooperation with appropriate institutions and
- (5) Developing a health plan that assures a holistic approach to medical issues and coverage.

**Form 990, Part III, Line 2 - New Services**

The Washington County Hospital Association Stroke Center entered into a alliance with the University of Pittsburgh Medical Center (UPMC) to provide stroke telemedicine services. The new technology allows vascular neurologists at UPMC to see and examine stroke patients at the hospital, confer with their local physicians, and discuss treatment options with the patients and their families.

Cardiac services was expanded to include a waiver allowing us to continue providing emergency angioplasty and approval to participate in the Atlantic CPORT-E research project. It is part of an ongoing research project to determine if community hospitals can conduct the non-primary percutaneous coronary intervention successfully without open-heart surgery back-up.

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**Form 990, Part III, Line 2 - New Services (continued)**

Washington County Hospital Association opened a new imaging service with a 3T magnetic resonance imaging machine. It is currently the only imaging center in the region to offer this advanced diagnostic system.

**Form 990, Part III, Line 3 - Ceased Conducting or Significant Changes To Services**

The Hospital transferred operations of two urgent care centers located in the community to Antietam Health Services, Inc., a related organization on October 1, 2008.

**Form 990, Part III, Line 4a - Program Service Accomplishments**

Washington County Hospital Association offers a variety of specialized services to meet the healthcare needs of the tri-state region.

The Cardiac Catheterization Lab has focused on bringing the very best in cardiac services to the community. Services in cardiac screening, diagnosis, intervention, and rehabilitation are offered. WCHA has invested in the most up-to-date technologies to assist physicians in diagnosing and treating heart disease. The board certified cardiologists and interventional cardiologists offer patients a highly specialized experience in structural heart disease and electrical heart malfunctions. They are supported by a team of highly-trained nurses and technicians.

The Center for Clinical Research is a growing program that manages from fifteen to twenty active research studies at any given time. The researchers are certified by the Association of Clinical Research Professionals. Physicians serve as the principal investigators for the research studies performed by the center.

The Center for Joint Replacement offers a comprehensive program that includes pre-

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**Form 990, Part III, Line 4a - Program Service Accomplishments (continued)**

and postoperative therapy as well as the actual surgery. The program has clearly demonstrated a decreased length of hospital stay and improved recovery rates.

The Family Birthing Center is a special place where single-room maternity care provides privacy and family bonding. The room is equipped for labor, delivery, postpartum, and newborn care. The special care nursery allows babies born as early as 32 weeks gestation to be treated at WCHA.

The Home Health Care Services cover the full spectrum of care, ranging from skilled nursing to assistance with the activities of daily living. They also can help with medication management issues.

The John R. Marsh Cancer Center offers chemotherapy, intensity modulated radiation therapy, and image guided radiation therapy. The center also offers MammoSite which delivers partial irradiation treatment for breast cancer patients in just five days.

Total Rehab Care is a comprehensive service providing a full range of rehabilitation programs, including pediatric services, traumatic brain injury rehab, outpatient therapies, inpatient joint replacement, occupational rehabilitation, and support groups. Skilled physicians, nurses, and therapists develop individualized treatment plans for every patient.

As a level III trauma service, the hospital offers twenty four hour a day, seven days a week access to trauma surgeons, neurosurgeons, and orthopedic surgeons, as well as a specialized trauma team and consulting physicians.

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**Form 990, Part III, Line 4a - Program Service Accomplishments (continued)**

The Weight Loss Clinic offers bariatric surgery which includes the most common procedures of gastric bypass and adjustable gastric banding. This can be a treatment for the lifelong condition of morbid obesity.

The Wound Center care is customized to each patient's unique situation to promote the healing process. The Wound Center team specializes in diabetic foot and leg ulcers, bone infections, preparation and preservation of skin grafts, crash injuries, and thermal burns.

The vision of the Nursing Department at WCHA is to be a dynamic force in the advancement of nursing practice and an advocate for the promotion of quality healthcare for all. Their mission is to foster the development and advancement of nursing practice and to work to achieve quality healthcare for all. They believe that the excellence of care for patients and families matters the most and that superior customer service and constant innovation sustains excellence.

**Form 990, Part VI, Line 2 - Business or Family Relationship of Officers, Directors, Etc.**

Gregory Snook - Family relationship

William Su, MD - Business relationship

Jeffrey Jones, MD - Business relationship

**Form 990, Part VI, Line 6 - Explanation of Classes of Members or Shareholder**

The sole member of the Corporation, Washington County Hospital Association, is Washington County Health System "System". The System has the right to elect the members of the governing body and approve significant decisions of the governing body.

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**Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body**

The Hospital nominates candidates for their board and presents the nominees to the Washington County Health System Board (Parent) through the board designated Governance Committee. Final election occurs through the Health System Board.

The System Board also approves the budget.

**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders**

Along with the election of governing members to the board, the Washington County Health System Board (Parent) also needs to review and approve the following before becoming effective and before the action is implemented:

1. Any merger, consolidation or dissolution of the corporation.
2. Annual Business Plan.
3. Annual Budget.
4. Contractual obligations that meet any one of the following criteria:
  - a. Fall outside the scope of the Corporation's annual business plan.
  - b. Require approval by external health and/or financial regulatory agency.
  - c. Having the potential of adversely impacting the operation of any subsidiary of the Member.
5. Any joint venture between the corporation and another person or entity that meets with any one of the following criteria:
  - a. Extends beyond the scope of the annual business plan of the Corporation.
  - b. Requires external approval by external health and/or financial regulatory agency.
  - c. Has the potential of adversely impacting the operation of any subsidiary of the Member.

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**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders (continued)**

6. Sales or transfers of all or substantially all of the assets of the Corporation or sales or transfers of assets that meet with any one of the following criteria:

- a. Fall outside the scope of the Corporation's annual business plan.
- b. Require approval by external health and/or financial regulatory agency.
- c. Has the potential of adversely impacting the operations of any subsidiary of the Member.

7. Formulation of a subsidiary.

8. Adoption and amendment of the mission and vision statements.

**Form 990, Part VI, Line 10 - Form 990 Review Process**

A copy of the Form 990 was provided to the Audit and Business Integrity Committee of the Washington County Health System Board (Parent). Acting under the authority of the Health System Board, the Committee reviewed the Form 990 prior to the submission of the Form 990 to the Internal Revenue Service. In addition, the Form 990 will be provided to the Hospital Board before it is filed with the Internal Revenue Service.

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts**

An annual disclosure of interest is required for all officers, directors or trustees, and key employees. These disclosures are then reviewed against the accounts payable system to determine the amount, if any, of transactions that have occurred. All disclosures and transactions are reviewed in detail by the following group of individuals: Vice President for Business Integrity, Director of Internal Audit, Chair of the Health System Board, Chair of the Audit and Business Integrity Committee, President and CEO of the Health System, and Legal Counsel. A summary of

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**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts (contin**

all disclosures are then provided to the full Audit and Business Integrity Committee for review. After this review, a copy of the disclosures, by Board or Committee, listing the type of involvement/transactions the entity has with the named disclosure, if any, are provided to the chair of the Board or Committee. Any director with a determined conflict is prohibited from participating in the Board's decisions and decisions with regards to that transaction.

**Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees**

Annually in September, the Compensation Committee of the Health System Board meets and reviews the following as it relates to compensation of the CEO and other key employees:

- Market Data - Presented by an independent third party compensation consultant
- Performance Evaluation - Provided by the CEO
- Overall Financials- used for Bonus
- Current Salary Along with Merit Guidelines

The independent third party compensation consultant then makes recommendations to the compensation committee and the committee deliberates, discusses, and approves the recommendation as is or makes amendments to it before approval. The report and resulting decision is then reported to the Washington County Health System Board.

The positions reviewed on 9/24/08 were as follows: CEO, VP for Information Services, VP for Financial Services, VP for Patient Care Services, Chief Medical Officer, VP for Business Integrity, VP for Human Resources, VP for Nursing Services, VP for Antietam Health Services and Executive Director of the Antietam Healthcare Foundation.

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Washington County Hospital Association

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**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available**

Governing documents, conflict of interest policy, and financial statements are available upon request. In addition, the annual audited financial statements are available on the organization's website.



**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

For calendar year 2008 or other tax year beginning 7/01, 2008,  
and ending 6/30, 2009

**2008**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

Open to Public Inspection for  
501(c)(3) Organizations Only

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	<b>Print or Type</b> Washington County Hospital Association 251 East Antietam Street Hagerstown, MD 21740	<b>D</b> Employer identification number (Employees' trust, see instructions for Block D.) 52-0607949  <b>E</b> Unrelated business activity codes (See instructions for Block E.) 621990 812300	
<b>C</b> Book value of all assets at end of year 429,170,817.		<b>F</b> Group exemption number (See instructions for Block F.) ▶	
<b>G</b> Check organization type: <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust			

**H** Describe the organization's primary unrelated business activity.

▶ Other shared medical services

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ...  Yes  No  
If 'Yes,' enter the name and identifying number of the parent corporation. ▶

**J** The books are in care of ▶ Raymond A. Grahe Telephone number ▶ 301-790-8872

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales ...			
b Less returns and allowances ... c Balance ▶	1 c		
2 Cost of goods sold (Schedule A, line 7) ...	2		
3 Gross profit. Subtract line 2 from line 1c. ...	3		
4 a Capital gain net income (attach Schedule D) ...	4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) ...	4 b		
c Capital loss deduction for trusts ...	4 c		
5 Income (loss) from partnerships and S corporations (attach statement) ...	5		
6 Rent income (Schedule C) ...	6		
7 Unrelated debt-financed income (Schedule E) ...	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F) ...	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G) ...	9		
10 Exploited exempt activity income (Schedule I) ...	10		
11 Advertising income (Schedule J) ...	11		
12 Other income (See instructions; attach schedule.) See Statement 1	12	1,185,290.	1,185,290.
13 <b>Total.</b> Combine lines 3 through 12	13	1,185,290.	1,185,290.

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.)  
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K) ...	14		
15 Salaries and wages ...	15		422,188.
16 Repairs and maintenance ...	16		
17 Bad debts ...	17		
18 Interest (attach schedule) ...	18		
19 Taxes and licenses ...	19		
20 Charitable contributions (See instructions for limitation rules.) ...	20		
21 Depreciation (attach Form 4562) ...	21	29,016.	
22 Less depreciation claimed on Schedule A and elsewhere on return ...	22a		29,016.
23 Depletion ...	23		
24 Contributions to deferred compensation plans ...	24		
25 Employee benefit programs ...	25		118,654.
26 Excess exempt expenses (Schedule I) ...	26		
27 Excess readership costs (Schedule J) ...	27		
28 Other deductions (attach schedule) ... See Statement 2	28		1,212,389.
29 <b>Total deductions.</b> Add lines 14 through 28	29		1,782,247.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13.	30		-596,957.
31 Net operating loss deduction (limited to the amount on line 30) ... See Statement 3	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		-596,957.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) ...	33		
34 <b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.	34		-596,957.

**Part III Tax Computation**

**35 Organizations Taxable as Corporations.** See instructions for tax computation.  
 Controlled group members (sections 1561 and 1563) check here.  See instructions and:  
 a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_  
 b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) ..... \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) ..... \$ \_\_\_\_\_  
 c Income tax on the amount on line 34. .... **35c** 0.  
**36 Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount  
 on line 34 from:  Tax rate schedule or  Schedule D (Form 1041) ..... **36**  
**37 Proxy tax.** See instructions. .... **37**  
**38 Alternative minimum tax.** ..... **38**  
**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies. .... **39** 0.

**Part IV Tax and Payments**

**40a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) ..... **40a**  
**b Other credits** (see instructions) ..... **40b**  
**c General business credit.** Check here and indicate which forms are attached:  
 Form 3800  Form(s) (specify) ▶ ..... **40c**  
**d Credit for prior year minimum tax** (attach Form 8801 or 8827) ..... **40d**  
**e Total credits.** Add lines 40a through 40d. .... **40e** 0.  
**41 Subtract line 40e from line 39** ..... **41** 0.  
**42 Other taxes.** Check if from:  Form 4255  Form 8611.  Form 8697  Form 8866  
 Other (attach schedule) ..... **42**  
**43 Total tax.** Add lines 41 and 42 ..... **43** 0.  
**44a Payments:** A 2007 overpayment credited to 2008 ..... **44a**  
**b 2008 estimated tax payments** ..... **44b**  
**c Tax deposited with Form 8868** ..... **44c**  
**d Foreign organizations: Tax paid or withheld at source** (see instructions) ..... **44d**  
**e Backup withholding** (see instructions) ..... **44e**  
**f Other credits and payments:**  Form 2439 \_\_\_\_\_  Form 4136 \_\_\_\_\_  Other \_\_\_\_\_ Total ... ▶ **44f**  
**45 Total payments.** Add lines 44a through 44f. .... **45** 0.  
**46 Estimated tax penalty** (see instructions). Check if Form 2220 is attached. ....  **46**  
**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ..... **47**  
**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid. .... **48**  
**49 Enter the amount of line 48 you want: Credited to 2009 estimated tax** ▶ **Refunded** ▶ **49**

**Part V Statements Regarding Certain Activities and Other Information** (see instructions.)

**1** At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here .....  Yes  No  
**2** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? ... If YES, see the instructions for other forms the organization may have to file.  Yes  No  
**3** Enter the amount of tax-exempt interest received or accrued during the tax year. ▶ \$ 0.

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation ▶

<b>1</b> Inventory at beginning of year. ....	<b>1</b>	<b>6</b> Inventory at end of year. ....	<b>6</b>
<b>2</b> Purchases. ....	<b>2</b>	<b>7</b> <b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2. ....	<b>7</b>
<b>3</b> Cost of labor. ....	<b>3</b>		
<b>4a</b> Additional section 263A costs (attach schedule) ..... <b>4a</b>			
<b>b</b> Other costs (attach sch) ..... <b>4b</b>			
<b>5</b> <b>Total.</b> Add lines 1 through 4b. .... <b>5</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**Sign Here**  
 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 taxpayer) is based on all information of which preparer has any knowledge.  
 Signature of officer: *Raymond J. Drake* Date: *5/14/2010* Title: *VP/Treasurer*  
 May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer's Use Only**  
 Preparer's signature: *Grant Thornton, LLP* Date: *5.13.2010* Check if self-employed:  Preparer's SSN or PTIN: *P00482451*  
 Firm's name (or yours if self-employed), address, and ZIP code: *2010 Corporate Ridge, Ste 400 McLean, VA 22102* EIN: *36-605558* Phone no.: *(703) 847-7500*

**Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instructions)

1 Description of property		2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	(1)	(2)	
(1)				
(2)				
(3)				
(4)				
Total		Total		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B)..... ▶

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)..... ▶

**Schedule E – Unrelated Debt-Financed Income** (see instructions)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)					
(1)						%		
(2)						%		
(3)						%		
(4)						%		
Totals .....							Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Total dividends-received deductions included in column 8 .....								

**Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations** (see instructions)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations				6 Deductions directly connected with income in column 5
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income		
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations						
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10		
(1)						
(2)						
(3)						
(4)						
Totals .....			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, part I, line 8, column (B).		

Client 3

Washington County Hospital Association

52-0607949

5/26/10

04:07PM

**Statement 1**  
**Form 990-T, Part I, Line 12**  
**Other Income**

Clinical Trials.....	\$	553,205.
IT Services.....		46,527.
Robinwood Food Service.....		501,770.
Special Medical Waste.....		83,788.
<b>Total</b>	<b>\$</b>	<b><u>1,185,290.</u></b>

**Statement 2**  
**Form 990-T, Part II, Line 28**  
**Other Deductions**

Administrative.....	\$	330,937.
Direct expense.....		805,668.
Fiscal services.....		33,582.
Maintenance.....		18,286.
Medical records.....		23,916.
<b>Total</b>	<b>\$</b>	<b><u>1,212,389.</u></b>

**Statement 3**  
**Form 990-T, Part II, Line 31**  
**Net Operating Loss Deduction**

Loss Year Ending	Original Loss	Loss Previously Used	Loss Available
6/30/99	\$ 37,726.	\$ 0.	\$ 37,726.
6/30/00	109,519.	0.	109,519.
6/30/01	72,647.	0.	72,647.
6/30/02	30,719.	0.	30,719.
Net Operating Loss Available.....			\$ 250,611.
Taxable Income.....			\$ -596,957.
Net Operating Loss Deduction (Limited to Taxable Income).....			\$ <u>0.</u>