

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning 10-01-2007 and ending 09-30-2008

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: ASHLAND HOSPITAL CORPORATION DBA KING'S DAUGHTERS' MEDICAL CENTER. Address: 2201 LEXINGTON AVENUE, ASHLAND, KY 41101

D Employer identification number: 61-0444716

E Telephone number: (606) 408-4678

F Accounting method: [] Cash [x] Accrual [] Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Web site: WWW.KDMC.COM

J Organization type: [x] 501(c)(3) (insert no) [] 4947(a)(1) or [] 527

K Check here [] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 474,817,869

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? [] Yes [x] No

H(b) If "Yes" enter number of affiliates

H(c) Are all affiliates included? [] Yes [] No (If "No," attach a list See instructions)

H(d) Is this a separate return filed by an organization covered by a group ruling? [] Yes [x] No

I Group Exemption Number

M Check [] if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions (1-5), Program service revenue (2), Dividends (5), Rental income (6a-6c), Other investment income (7), Sales of assets (8a-8d), Special events (9), Gross sales of inventory (10a-10c), Total revenue (12), Program services (13), Management and general (14), Fundraising (15), Payments to affiliates (16), Total expenses (17), Excess or deficit (18), Net assets at beginning (19), Other changes (20), Net assets at end (21).

Part III Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22a	Grants paid from donor advised funds (attach Schedule) (cash \$ ⁰ noncash \$ ⁰) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b	Other grants and allocations (attach schedule) (cash \$767,579 noncash \$48,866) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	816,445	816,445		
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25a	Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule)	25a	4,063,844	4,063,844		
b	Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule)	25b	29,237	29,237		
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b and c	26	143,419,330	128,115,744	15,303,586	
27	Pension plan contributions not included on lines 25a, b and c	27	4,643,335	4,179,002	464,333	
28	Employee benefits not included on lines 25a - 27	28	26,175,372	23,549,566	2,625,806	
29	Payroll taxes	29	10,666,984	9,322,944	1,344,040	
30	Professional fundraising fees	30				
31	Accounting fees	31	93,904		93,904	
32	Legal fees	32	3,049,567		3,049,567	
33	Supplies	33	87,712,048	84,758,745	2,953,303	
34	Telephone	34	1,345,013	675,148	669,865	
35	Postage and shipping	35	313,066		313,066	
36	Occupancy	36	4,951,912	301,244	4,650,668	
37	Equipment rental and maintenance	37	1,743,847	445,547	1,298,300	
38	Printing and publications	38	2,930,558	2,164,419	766,139	
39	Travel	39	592,521	452,036	140,485	
40	Conferences, conventions, and meetings	40				
41	Interest	41	8,647,118		8,647,118	
42	Depreciation, depletion, etc. (attach schedule)	42	28,075,061	22,061,970	6,013,091	
43	Other expenses not covered above (itemize)					
a	See Additional Data Table	43a				
b		43b				
c		43c				
d		43d				
e		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	441,010,644	376,088,321	64,922,323	0

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$⁰, (ii) the amount allocated to Program services \$⁰, (iii) the amount allocated to Management and general \$⁰, and (iv) the amount allocated to Fundraising \$⁰

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

<p>What is the organization's primary exempt purpose? ▶ ASHLAND HOSPITAL CORPORATION DBA KING'S DAUGHTERS' MEDICAL CENTER OPERATES IN A MANNER CONSISTENT WITH THE REQUIREMENTS OF REV. RULE 69-545, THROUGH ITS PROVISION OF HEALTH CARE SERVICES TO THE COMMUNITY, REGARDLESS OF ABILITY TO PAY</p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p>a SEE GENERAL EXPLANATION ATTACHMENT</p> <p>(Grants and allocations \$ 741,235) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p>376,088,321</p>
<p>b</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>c</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . ▶</p>	<p>376,088,321</p>

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		6,200	45	6,700	
	46 Savings and temporary cash investments		37,291,657	46	70,236,807	
	47a Accounts receivable	47a	145,951,813			
	b Less allowance for doubtful accounts	47b	78,624,900	63,360,681	47c	67,326,913
	48a Pledges receivable	48a				
	b Less allowance for doubtful accounts	48b			48c	
	49 Grants receivable				49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50a	
	b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)				50b	
	51a Other notes and loans receivable (attach schedule)	51a	9,021,443			
	b Less allowance for doubtful accounts	51b		4,432,142	51c	9,021,443
	52 Inventories for sale or use			7,096,327	52	8,703,379
	53 Prepaid expenses and deferred charges			4,216,655	53	6,236,160
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV			163,321,804	54a	133,696,497
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV				54b	
55a Investments—land, buildings, and equipment basis	55a					
b Less accumulated depreciation (attach schedule)	55b			55c		
56 Investments—other (attach schedule)			15,320,660	56	12,895,660	
57a Land, buildings, and equipment basis	57a	526,798,535				
b Less accumulated depreciation (attach schedule)	57b	232,622,272	266,561,184	57c	294,176,263	
58 Other assets, including program-related investments (describe <input type="checkbox"/> _____)			16,056,803	58	20,750,042	
59 Total assets (must equal line 74) Add lines 45 through 58			577,664,113	59	623,049,864	
Liabilities	60 Accounts payable and accrued expenses		53,211,893	60	57,417,643	
	61 Grants payable			61		
	62 Deferred revenue			62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64a Tax-exempt bond liabilities (attach schedule)			178,422,085	64a	189,380,504
	b Mortgages and other notes payable (attach schedule)			0	64b	21,334,545
	65 Other liabilities (describe <input type="checkbox"/> _____)			13,023,867	65	26,232,170
66 Total liabilities Add lines 60 through 65			244,657,845	66	294,364,862	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67 Unrestricted		333,006,268	67	328,685,002	
	68 Temporarily restricted			68		
	69 Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
	73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)			333,006,268	73	328,685,002
	74 Total liabilities and net assets / fund balances Add lines 66 and 73			577,664,113	74	623,049,864

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <u>14</u>		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b Yes	
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" . If "Yes," attach a statement that includes the information described in the instructions	75c Yes	
d Does the organization have a written conflict of interest policy?	75d Yes	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
SUSAN LUNSFORD 2201 LEXINGTON AVENUE ASHLAND, KY 41101	0	0	8,095	0
FRANCINE PASCHALL 2201 LEXINGTON AVENUE ASHLAND, KY 41101	0	29,237	1,092	0

Part VI Other Information <i>(See the instructions.)</i>	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	No
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	No
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a Yes	
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b Yes	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	No
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a Yes	
b If "Yes," enter the name of the organization See Additional Data Table _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a Enter direct or indirect political expenditures (See line 81 instructions) <u>81a</u> 0		
b Did the organization file Form 1120-POL for this year?	81b	No

Part VI Other Information (continued)

Form 990 (2007) Part VI Other Information (continued)
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82b If "Yes," you may indicate the value of these items here
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?
86 501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs. Enter a Gross income from members or shareholders
87b Gross income from other sources
88a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?
88b At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)?
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911, section 4912, and section 4955
89b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year?
89c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89d Enter Amount of tax on line 89c, above, reimbursed by the organization
89e All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?
89f All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?
89g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?
90a List the states with which a copy of this return is filed
90b Number of employees employed in the pay period that includes March 12, 2007
91a The books are in care of
91b 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?

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91c Yes No

If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here

and enter the amount of tax-exempt interest received or accrued during the tax year

92

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Membership dues and assessments, Dividends and interest from securities, etc.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

NOTE: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities Complete only if the organization is a controlling organization as defined in section 512(b)(13)

				Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity				Yes	
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a	CHILD DEVELOPMENT CENTER CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	010560598	CHILD CARE REVENUE	407,582	
b	ASHLAND NURSING HOME CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611386016	LOANED AMOUNTS	25,899	
c	KING'S DAUGHTERS' HEALTH FOUNDATION INC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611035701	HOSPITALITY HOUSE PAYMENT	750,000	
d	KENTUCKY HEART INSTITUTE INC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	260791997	RESEARCH REVENUE	147,120	
Totals				1,330,601	

				Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity				Yes	
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a	See Additional Data				
b					
c					

				Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?					No

Please 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 officer) is based on all information of which preparer has any knowledge.

Signature of officer

2009-08-15
Date

PAUL MCDOWELL VP, FINANCE/CFO
Type or print name and title

Paid Preparer's Use Only	Preparer's signature CARA BENNINGFIELD	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 BKD LLP 400 E MAIN ST STE 200 PO BOX 1196 BOWLING GREEN, KY 421021196			EIN Phone no (270) 781-0111

**SCHEDULE A
(Form 990 or 990EZ)**

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2007

Department of the Treasury
Internal Revenue Service

Name of the organization
ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

Employer identification number

61-0444716

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
CLARK BERNARD MD 2201 LEXINGTON AVE ASHLAND, KY 41101	PHYSICIAN 40 0	599,954	21,977	1,577
JERREL BOYER DO 2201 LEXINGTON AVE ASHLAND, KY 41101	PHYSICIAN 40 0	1,000,353	16,357	0
JOHN GILBERT DO 2201 LEXINGTON AVE ASHLAND, KY 41101	PHYSICIAN 40 0	384,078	46,158	840
ALFRED SASSLER DO 2201 LEXINGTON AVE ASHLAND, KY 41101	PHYSICIAN 40 0	332,590	9,998	400
GAMANI THU MD 2201 LEXINGTON AVE ASHLAND, KY 41101	PHYSICIAN 40 0	366,392	39,616	520
Total number of other employees paid over \$50,000	1,456			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
ASHLAND SURGICAL SERVICES 6339 E SPEEDWAY BLVD 201 TUCSON, AZ 85710	SURGEONS	791,006
BLOOD MANAGEMENT GROUP 501 DARBY CREEK ROAD SUITE 48 LEXINGTON, KY 40509	PERFUSIONISTS	1,459,344
FRESENIUS MEDICAL CARE PO BOX 101518 ATLANTA, GA 303921518	DIALYSIS SERVICES	861,002
MAYO COLLABORATIVE SERVICES PO BOX 9146 MINNEAPOLIS, MN 55480	REFERENCE LAB	2,436,121
TRI-STATE RADIOLOGY PSC PO BOX 2408 ASHLAND, KY 411052408	RADIOLOGISTS	2,896,630
Total number of others receiving over \$50,000 for professional services	87	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
CHAMBERLIN EDMONDS AND ASSOCIATES PO BOX 536969 ATLANTA, GA 30353	COLLECTIONS	789,642
HORIZON HEALTH PO BOX 8540839 DALLAS, TX 752840839	MANAGEMENT SERVICES	496,111
MAY CONTRACTING INC 12354 VIRGINIA BLVD CLEVELAND, OH 44193	CONSTRUCTION	1,907,305
TRUSTAFF INC PO BOX 73426 CLEVELAND, OH 44193	STAFFING SERVICES	525,734
WB FOSSON AND SONS INC PO BOX 1859 ASHLAND, KY 411051859	CONSTRUCTION	5,420,249
Total number of other contractors receiving over \$50,000 for other services	38	

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>21,471</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	1	Yes	
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 🗨</p>			
<p>a Sale, exchange, or leasing property?</p>	2a	Yes	
<p>b Lending of money or other extension of credit?</p>	2b		No
<p>c Furnishing of goods, services, or facilities?</p>	2c	Yes	
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d	Yes	
<p>e Transfer of any part of its income or assets?</p>	2e		No
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)</p>	3a		No
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	Yes	
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement</p>	3c		No
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		No
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g</p>	4a		No
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		No
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		No
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ <u>0</u></p>			
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ <u>0</u></p>			

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5** A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6** A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7** A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8** A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9** A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state**
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b** A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12** 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 charitable, etc , 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) (Also complete the **Support Schedule** in Part IV-A)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
- Type I Type II Type III - Functionally Integrated Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
Total					<input type="checkbox"/>

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 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					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c
d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f
27 Organizations described on line 12:					
a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " Do not file this list with your return. Enter the sum of such amounts for each year (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2) , enter the sum of these differences (the excess amounts) for each year (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					

Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31	
<hr/>		
<hr/>		
<hr/>		
32 Does the organization maintain the following	32a	
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
<hr/>		
<hr/>		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
<hr/>		
<hr/>		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768)Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

(a)
Affiliated group
totals**(b)**
To be completed
for all electing
organizations

36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38	Total lobbying expenditures (add lines 36 and 37)	38		
39	Other exempt purpose expenditures	39		
40	Total exempt purpose expenditures (add lines 38 and 39)	40		
41	Lobbying nontaxable amount Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41		
42	Grassroots nontaxable amount (enter 25% of line 41)	42		
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		0

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below)

See the instructions for lines 45 through 50 on page 11 of the instructions)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines **c** through **h**.)

	Yes	No	Amount
a		No	
b		No	
c		No	
d		No	
e		No	
f		No	
g		No	
h	Yes		21,471
i			21,471

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Additional Data**Software ID:****Software Version:****EIN:** 61-0444716**Name:** ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER**Form 990, Part II, Line 43 - Other expenses not covered above (itemize):**

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a REPAIRS & MAINTENANCE	43a	10,667,489	8,380,909	2,286,580	
b PHYSICIAN FEES	43b	8,996,059	8,996,059		
c PROVISION FOR BAD DEBTS	43c	34,004,775	34,004,775		
d COLLECTION FEES	43d	1,395,195	1,395,195		
e PMTS NON-EMPL HLTHCR PROF	43e	4,477,823	4,477,823		
f PROFESSIONAL & TECHNICAL	43f	3,081,103	884,910	2,196,193	
g CONSULTING FEES	43g	1,534,535	592,387	942,148	
h CONTRACTS	43h	24,653,438	24,077,466	575,972	
i AGENCY FEES	43i	1,019,805	1,011,441	8,364	
j GRANT & PROTOCOL STUDY EXPENSE	43j	126,884	126,884		
k REFERRAL LAB CHARGES	43k	3,151,501	3,151,501		
l CME & CPR TRAINING	43l	264,151	264,151		
m ADVERTISING	43m	2,831,871	6,059	2,825,812	
n TAXES	43n	7,728,971	7,626,920	102,051	
o INSURANCE	43o	3,234,706	452,255	2,782,451	
p MINOR EQUIPMENT	43p	683,200	605,553	77,647	
q DUES	43q	589,309	101,150	488,159	
r PHYSICIAN RECRUITMENT EXPENSE	43r	1,481,280	1,481,280		
s RENT - OFFICE SPACE	43s	524,622	460,355	64,267	
t EMERGENCY MEDICATION FUNDS	43t	251,937	251,937		
u MISCELLANEOUS	43u	1,042,828	896,501	146,327	

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
STEPHEN ADDINGTON 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
JACK BLAIR 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
KEN BLANTON 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
TOM BURNETTE 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
JIM CANTRELL 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
DONALD HAMMONDS DO 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
TRACY HILLMAN 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
MIKE LIGHT 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
RAYMOND MECCA MD 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0
LYNN RICE 2201 LEXINGTON AVENUE ASHLAND, KY 41101	DIRECTOR 0 25	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
DAVID JONES 2201 LEXINGTON AVENUE ASHLAND,KY 41101	CHAIRMAN 1 0	0	0	0
JERRY HENDERSON 2201 LEXINGTON AVENUE ASHLAND,KY 41101	PRESIDENT, KDMC AUXILIARY 0 25	0	0	0
KEVIN WILLIS MD 2201 LEXINGTON AVENUE ASHLAND,KY 41101	PRESIDENT,MEDICAL/DENTAL STAFF 0 25	24,000	0	0
FRED JACKSON 2201 LEXINGTON AVENUE ASHLAND,KY 41101	PRESIDENT/CEO 40 0	785,575	317,490	12,585
ANDREA MCKAY 2201 LEXINGTON AVENUE ASHLAND,KY 41101	VP, AMBULATORY SERVICES 40 0	130,779	15,637	3,743
PAUL MCDOWELL 2201 LEXINGTON AVENUE ASHLAND,KY 41101	VP, FINANCE/CFO 40 0	455,969	139,237	5,714
KRISTIE WHITLATCH 2201 LEXINGTON AVENUE ASHLAND,KY 41101	VP, HEART & VASCULAR CENTER 40 0	347,222	100,513	5,255
CATHY COOPER-WEIDNER 2201 LEXINGTON AVENUE ASHLAND,KY 41101	VP, INFORMATION SERVICES 40 0	200,131	40,974	18,503
LARRY HIGGINS 2201 LEXINGTON AVENUE ASHLAND,KY 41101	VP, LEARNING, HR & SUPPORT 40 0	329,988	129,641	3,154
SHERYL MAHANEY 2201 LEXINGTON AVENUE ASHLAND,KY 41101	VP, LEGAL SERVICES 40 0	336,056	98,068	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
PHILIP FIORET MD 2201 LEXINGTON AVENUE ASHLAND, KY 41101	VP, MEDICAL AFFAIRS/CMO 40 0	561,389	172,979	5,643
MAYOLA BOYKIN MD 2201 LEXINGTON AVENUE ASHLAND, KY 41101	VP, MEDICAL/DENTAL STAFF 0 25	12,000	0	0
PATRICIA CORBITT 2201 LEXINGTON AVENUE ASHLAND, KY 41101	VP, MARKETING & COMM SERVICES 40 0	150,589	65,028	3,261
ROBERT LUCAS 2201 LEXINGTON AVENUE ASHLAND, KY 41101	VP, OPERATIONS 40 0	262,844	112,065	5,653
RAMONA THOMPSON 2201 LEXINGTON AVENUE ASHLAND, KY 41101	VP, PATIENT SERVICES 40 0	182,829	35,119	661
JAMES DETHERAGE MD 2201 LEXINGTON AVENUE ASHLAND, KY 41101	VP, QUALITY/CQO 40 0	284,473	58,571	6,333

Form 990, Part VI, Line 80b - If "Yes", enter the name of the organization and whether it is exempt or nonexempt:

Name of the Organization	Exempt	Nonexempt
KINGSBROOK LIFECARE CENTER	X	
CHILD DEVELOPMENT CENTER CORPORATI	X	
KENTUCKY HEART & VASCULAR PHYSICIA INC	X	
KENTUCKY HEART INSTITUTE	X	
KDMC HEALTH FOUNDATION	X	
ASHLAND MEDICAL PROPERTIES		X

Form 990, Part VII, Line 93 - Program service revenue:

Note: Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
a NET PATIENT SERVICE REVENUE					457,932,005
b PROTOCOL STUDY FEES					65,333
c PHYSICIAN OFFICE RENTAL					1,903,646
d DME SALES	446199	63,762			
e PHARMACY	446110	93,424			3,220,136
f REFERENCE LAB	621500	143,353			

Form 990, Part VII, Line 103 - Other revenue:

Note: Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
a MEDICAL RECORDS					77,598
b CUMBERLAND CARDIO	621110	125,125			
c CAFETERIA SALES	722320	4,684	03	2,627,335	
d ASHLAND NURSING HOME MANAGEMENT					30,000
e PREMIER PURCHASING PARTNERS	541900	5,049			
f MISCELLANEOUS					128,206

Form 990, Part VIII - Relationship of Activities to the Accomplishment of Exempt Purposes:

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	ORGANIZATION IS A PUBLIC CHARITY WHOSE PRIMARY EXEMPT
93B	THE VARIOUS HEALTH SERVICES PROVIDED ARE THE VEHICLES BY
93C	WHICH THE HOSPITAL CARRIES OUT ITS EXEMPT CHARITABLE PURPOSE
93E	OF HEALTH CARE TO THE COMMUNITY SEE PART III- PROGRAM
103	GROUP PURCHASING PROGRAMS STRUCTURED TO REDUCE THE COST OF

Form 990, Part XI, line 107:

(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
CHILD DEVELOPMENT CENTER CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	010560598	PAYROLL DEDUCTIONS / COVER PAYROLL COSTS	533,729
CHILD DEVELOPMENT CENTER CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	010560598	REPAIRS & MAINTENANCE	17,809
CHILD DEVELOPMENT CENTER CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	010560598	PROF & TECH EXP / SUPPLIES / UTILITIES / OTHER OPERATING EXPENSES	146,190
ASHLAND NURSING HOME CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611386016	PAY DOWN INVESTMENT	2,425,000
ASHLAND NURSING HOME CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611386016	MANAGEMENT FEE / SUPPLIES	30,117
ASHLAND NURSING HOME CORPORATION 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611386016	SALARIES / PAYROLL DEDUCTIONS	18,199
KING'S DAUGHTERS' HEALTH FOUNDATION INC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611035701	CONTRIBUTION	231,040
KENTUCKY HEART INSTITUTE INC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	260791997	SALARIES / BENEFITS / DEDUCTIONS	237,112
KENTUCKY HEART INSTITUTE INC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	260791997	PROF & TECH EXP / REPAIRS & MAINT / SUPPLIES / OTHER OPERATING EXPENSES	206,937
KENTUCKY HEART & VASCULAR PHYSICIANSINC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611255904	SALARIES / BENEFITS / DEDUCTIONS	631,181
KENTUCKY HEART & VASCULAR PHYSICIANSINC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611255904	SUPPLIES / OTHER OPERATING EXPENSES	187,144
KENTUCKY HEART & VASCULAR PHYSICIANSINC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611255904	COVER PAYROLL COSTS	1,210,000
KENTUCKY HEART & VASCULAR PHYSICIANSINC 2201 LEXINGTON AVENUE ASHLAND, KY 41101	611255904	FIXED ASSETS / INTANGIBLES	1,810,000
Totals			7,684,458

Form 4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No 1545-0172

2007

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return.

Attachment Sequence No 67

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number.

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 rows for Section 179 election calculations, including maximum amount, total cost, and dollar limitation.

Table with 13 rows for Section 179 expense deduction calculations, including listed property, total elected cost, and carryover.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

Table with 3 rows for Special Depreciation Allowance and Other Depreciation calculations.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for MACRS deductions for assets placed in service in tax years beginning before 2007.

Table with 7 columns: Classification of property, Month and year placed in service, Basis for depreciation, Recovery period, Convention, Method, Depreciation deduction.

Section C—Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

Table with 3 rows for Alternative Depreciation System calculations, including class life and recovery periods.

Part IV Summary (see instructions)

Table with 3 rows for Summary calculations, including listed property, total depreciation, and section 263A costs.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost. Includes rows 25-29 for special allowances and business use percentages.

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a)-(f) for Vehicle 1-6. Rows 30-36 include total miles driven (business, commuting, other) and availability for personal use.

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table for Section C with columns Yes/No. Rows 37-41 include questions about written policies, personal use, and qualified demonstration use.

Part VI Amortization

Table for Section C with columns (a)-(f). Rows 42-44 include amortization of costs that begins during the 2007 tax year and total amounts.

Form 4797

Sales of Business Property (Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

OMB No 1545-0184

2007

Attachment Sequence No 27

Department of the Treasury Internal Revenue Service (99)

Attach to your tax return. See separate instructions.

Table with 2 columns: Name(s) shown on return (ASHLAND HOSPITAL CORPORATION DBA KING'S DAUGHTERS' MEDICAL CENTER) and Identifying number (61-0444716)

Line 1: Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). Value: 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss). Rows include EARLY EXT OF DEBT and VARIOUS EQUIPMENT.

Lines 3-9: Gain, if any, from Form 4684, line 39; Section 1231 gain from installment sales; Section 1231 gain or (loss) from like-kind exchanges; Gain, if any, from line 32, from other than casualty or theft; Combine lines 2 through 6; Partnerships (except electing large partnerships) and S corporations; Individuals, partners, S corporation shareholders, and all others; Nonrecaptured net section 1231 losses from prior years; Subtract line 8 from line 7.

Part II Ordinary Gains and Losses (see instructions)

Line 10: Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

Lines 11-18: Loss, if any, from line 7; Gain, if any, from line 7, or amount from line 8, if applicable; Gain, if any, from line 31; Net gain or (loss) from Form 4684, lines 31 and 38a; Ordinary gain from installment sales; Ordinary gain or (loss) from like-kind exchanges; Combine lines 10 through 16; For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis Subtract line 22 from line 21	23				
24 Total gain Subtract line 23 from line 20	24				
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a				
b Enter the smaller of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the smaller of line 26c or 26d	26e				
f Sections 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions)	27b				
c Enter the smaller of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a				
b Enter the smaller of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the smaller of line 24 or 29a (see instructions)	29b				

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13	31	
32 Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 33 Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount Subtract line 34 from line 33 See the instructions for where to report	35	

TY 2007 Cash Grants Paid Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Class of Activity	Recipient's name	Address	Amount	Relationship
	AMERICAN RED CROSS	614 GLOVER STREET PORTSMOUTH, OH 45662	520	NONE
	AMERICAN RED CROSS - HURRICANE KATR	PO BOX 905890 CHARLOTTE, NC 282905890	862	NONE
	ASHLAND ALLIANCE	PO BOX 830 ASHLAND, KY 411050830	800	NONE
	ASHLAND LIONS CLUB	PO BOX 507 ASHLAND, KY 411050507	100	NONE
	ASHLAND MAIN STREET INC	PO BOX 504 ASHLAND, KY 411050504	5,000	NONE
	ASHLAND SENIOR CENTER	PO BOX 324 ASHLAND, KY 411050324	250	NONE
	BIG BROTHERSBIG SISTERS OF THE TRI	501 5TH AVENUE SUITE 3 HUNTINGTON, WV 25701	1,000	NONE
	BOOKER T WASHINGTON FESTIVAL	PO BOX 4011 ASHLAND, KY 411054011	200	NONE

Class of Activity	Recipient's name	Address	Amount	Relationship
	BOYD COUNTY FISCAL COURT	PO BOX 423 CATLETTSBURG, KY 411290423	12,000	NONE
	BOYD COUNTY MIDDLE SCHOOL	1226 SUMMIT ROAD ASHLAND, KY 41102	1,000	NONE
	BOYD GREENUP COUNTY NAACP	PO BOX 1778 ASHLAND, KY 411051778	500	NONE
	CARES	PO BOX 1503 ASHLAND, KY 411051503	11,000	NONE
	COMMUNITY HOSPICE	1583 CENTRAL AVENUE ASHLAND, KY 411017633	150	NONE
	CITY OF ASHLAND	PO BOX 1864 ASHLAND, KY 411051864	350,000	NONE
	GRAYSON AREA CHAMBER OF COMMERCE	PO BOX 612 GRAYSON, KY 41143	300	NONE
	GREATER KENTUCKY AND SOUTHERN INDIA	1065 DOVE RUN ROAD SUITE 2 LEXINGTON, KY 40502	1,000	NONE

Class of Activity	Recipient's name	Address	Amount	Relationship
	HIGHLANDS MUSEUM AND DISCOVERY CENT	1620 WINCHESTER AVENUE SUITE 1 ASHLAND, KY 41101	4,000	NONE
	HIGHLANDS MUSEUM AND DISCOVERY CENT	1620 WINCHESTER AVENUE SUITE 1 ASHLAND, KY 41101	1,500	NONE
	IRONTON IN BLOOM	PO BOX 4599 IRONTON, OH 45638	500	NONE
	IRONTON-LAWRENCE COUNTY COMMUNITY A	305 NORTH 5TH STREET IRONTON, OH 45638	1,500	NONE
	KCC ENTERPRISES	20305 COUNTRY CLUB DRIVE CATLETTSBURG, KY 41129	2,500	NONE
	KENTUCKY COMMUNITY TECHNICAL COLL	1400 COLLEGE DRIVE ASHLAND, KY 41101	298,800	NONE
	KENTUCKY HOSPITAL RESEARCH AND EDUC	PO BOX 436629 LOUISVILLE, KY 40253	34,173	NONE
	KENTUCKY SENIOR GAMES INC	PO BOX 1172 ASHLAND, KY 411051172	5,000	NONE

Class of Activity	Recipient's name	Address	Amount	Relationship
	KENTUCKY CHAMBER OF COMMERCE INC	464 CHENAULT ROAD FRANKFORT, KY 40601	5,000	NONE
	LEADERSHIP TRI-STATE INC	1401 WINCHESTER AVENUE FIFTH FLOOR ASHLAND, KY 41101	1,000	NONE
	MARCH OF DIMES	1401 WINCHESTER AVENUE SUITE 46 ASHLAND, KY 41101	1,000	NONE
	MILLENIUM SPORTS MANAGEMENT INC	PO BOX 811 ASHLAND, KY 411050811	2,500	NONE
	MOREHEAD STATE UNIVERSITY	1645 WINCHESTER AVENUE 2ND FLOOR ASHLAND, KY 41101	500	NONE
	NEIGHBORS HELPING NEIGHBORS	PO BOX 1703 ASHLAND, KY 411051703	5,000	NONE
	PARAMOUNT ARTS CENTER	PO BOX 1546 ASHLAND, KY 411051546	8,800	NONE
	POAGE LANDING DAYS	134 FOURTH AVENUE HUNTINGTON, WV 25701	2,000	NONE

Class of Activity	Recipient's name	Address	Amount	Relationship
	PORTSMOUTH CHAMBER OF COMMERCE	PO BOX 509 PORTSMOUTH, OH 45662	500	NONE
	PORTSMOUTH CHAMBER OF COMMERCE	PO BOX 509 PORTSMOUTH, OH 45662	500	NONE
	PORTSMOUTH MURAL INC	PO BOX 509 PORTSMOUTH, OH 45662	1,000	NONE
	SAFE HARBOR DOMESTIC VIOLENCE SHELTER	PO BOX 2163 ASHLAND, KY 411052163	2,500	NONE
	SCIOTO COUNTY NURSING HOME	1209 24TH STREET PORTSMOUTH, OH 45662	100	NONE
	THE DRESSING ROOM	PO BOX 611 ASHLAND, KY 411050611	500	NONE
	TROOPER ISLAND GOLF TOURNAMENT	5975 US 60 ASHLAND, KY 41102	500	NONE
	TWO HEART ASHLAND AREA PREGNANCY CA	2200 29TH STREET SUITE 100 ASHLAND, KY 41101	3,000	NONE

Class of Activity	Recipient's name	Address	Amount	Relationship
	UNITED WAY OF NORTHEAST KENTUCKY	PO BOX 2285 ASHLAND, KY 411052285	524	NONE

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2007 Compensation Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Name	Related Organization		Relationship	Compensation Amount	Benefit Plan Contributions	Expense Account	Compensation Description
	Name	EIN					
PHILIP FIORET MD	KINGSBROOK LIFECARE CENTER	61-1386016	CONTROLLED ORGANIZATION	24,000	0	0	

TY 2007 General Explanation Attachment

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	990 PT III	<p>Our Organization King's Daughters Medical Center is a 385-bed acute care hospital founded in 1899 by the What-So-Ever-Circle of the King's Daughters and Sons Order We meet the community's health care needs through our 248-person medical staff representing specialties in more than 40 areas In addition, our 3,700 highly qualified team members work tirelessly to ensure that we meet the needs of our community with the right care in the right place at the right time Our Mission To Care To Serve To Heal Our Vision World Class Care in Our Community We achieve our mission and vision through focusing on our key priorities Customer, Quality, Community, Finance and Culture We offer a broad range of community-based services, including comprehensive cardiac, vascular, medical, surgical, maternity, bariatric, pediatric, rehabilitative, psychiatric, cancer, neurological, pain care, wound care and home care services The People We Serve King's Daughters serves a broad community, which covers counties in Kentucky, Ohio and West Virginia The medical center is nestled in the foothills of the Appalachian Mountains, where the Kentucky, Ohio and West Virginia state lines meet More than 255,000 people (U S Census Bureau), live in the five county (Boyd, Carter and Greenup counties in Kentucky and Lawrence and Scioto counties in Ohio) primary service area With the exception of two cities with populations around 20,000, the area is very rural, covering more than 2,000 square miles with a population density of 117 people per square mile More than 17% of the population lives in poverty, with children in poverty at more than 25.7% The population is 97% white, 2% blacks and all other races 1% Meeting the diverse needs of our community is made increasingly challenging due to the following conditions Average unemployment is 7.2% compared to 6.5% nationally, 7.2% for Ohio and 7.1% for Kentucky The average median income is \$31,470, well below the levels for Kentucky, Ohio and the nation The Kentucky Behavioral Risk Factor Surveillance System shows that in 2002, in KDMC's Kentucky primary service area, 24% of those age 19-64 years lacked any form of healthcare coverage, compared to 18.2% for the state and 14.1% for the nation KDMC's Ohio service area shows 15.8% without healthcare coverage compared to 11.4% in the state and 14.1% in the nation Many of the rural areas served do not have public transportation and individuals living in these areas often do not have transportation to doctor or outpatient services visits KDMC is also reaching out to new audiences by offering screenings and programs to neighboring counties In 2008, KDMC held events in Elliott, Martin, Magoffin, Wolfe and Lawrence counties in Kentucky, Jackson, Ohio, and Wayne, Lincoln and Cabell counties in West Virginia Heart disease Lung disease Tobacco use Inactivity Poor diet If it is bad in the state or the nation, you can expect it to be worse in Kentucky's and Ohio's Appalachian counties and therefore in our service region In the primary service region, thirty-one percent (31%) of the population describes their general health as fair to poor The following behaviors put our population at greater risk for premature death no leisure time activity - 37.1%, ever smoked cigarettes - 56.6%, currently smoke cigarettes - 38.3%, obesity - 26.6%, fewer than five fruits and vegetables a day - 84.1% -- all above state and national statistics These factors contribute to higher than national death rates in the service area for the following diseases Death rates for service area Disease Kentucky Ohio counties Nation Heart disease 287.6 348.7 245.8 All cancers 274.3 254.1 194.4 Source Kentucky Vital Statistics 2003, Ohio Department of Public Health Under its mission, King's Daughters Medical Center has adopted "community" as one of its five key organizational priorities that the medical center focuses on as part of our daily and strategic initiatives The Community key priority states that - We will continuously improve the health and well being of the communities we serve through educational initiatives, employee participation in community activities, and collaborative relationships KDMC's leadership and employees adopt an annual, measurable goal for each priority In 2008, the community goal read as follows Increase community health screens, prevention and educational programs by reaching 115,000 adults and 72,000 children in KDMC's market area This will be accomplished by the participation of no less than 2,121 KDMC team members, physicians, and allied health professionals as volunteers The KDMC team exceeded this goal by reaching more than 196,000 people This was accomplished through administrative commitment, leadership of the Community Services department and the dedicated team members at KDMC In fiscal year 2008, more than 2,150 team members volunteered more than 23,700 hours toward this goal Organizational Commitment to Providing Commun</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	990 PT III	<p>ity Benefit King's Daughters mission is "To Care To Serve To Heal " which provides guidance for our primary purpose of providing quality affordable health care in the communities we serve The hospital is a regional referral center, which accepts patients from other hospitals in the region Referrals and transfers come to King's Daughters for cardiac, cancer, orthopedic and other services Our commitment to our communities is ingrained into everything that we are and do Our strategic plan has specific measurable objectives for growth in our community initiatives Our CEO and Board of Directors recognize and fully support providing for the health and well-being of all of the areas we serve The Community Services department, an eight-member team, has the sole purpose of coordinating the provision of community outreach programming The department is well budgeted to carry out the goals and objectives of the medical center's strategic plan for community The team member pay-for-performance evaluation system rewards team members for volunteerism by allowing them to earn merit points on their evaluation for giving of their personal time to help improve the community's health and well-being The medical center's financial assistance policy provides direction for free or discounted services to residents of the community who have inadequate financial resources to pay for necessary healthcare services provided by King's Daughters The policy states that the medical center will not deny care to any patient requiring care due to their inability to pay The financial assistance policy provides guidance to providing assistance based on sliding scale methodology and the Federal Poverty guidelines established by the Department of Health and Human Services Patients requiring care with income below 300% of the Federal Poverty level qualify for free or reduced cost services The financial assistance program is on the KDMC website and the phone number to access information about our financial assistance program is provided to patients through the Patient Information Guide at admittance to the hospital KDMC works to identify patients that may have limited resources and offers financial assistance when appropriate To reach our communities and to provide the best community benefit programming possible we partner with a diverse group of both public and private entities Other non-profits that partner with KDMC on this shared mission are American Red Cross, CARES (local referral agency), Community Kitchen, Safe Harbor, NAACP, Ashland Fair Housing, Highlands Museum, Shelter of Hope, area Senior Centers, AARP, Paramount Arts Center, public libraries and Ashland Area YMCA Government partners include City of Ashland, Ashland-Boyd County Health Department, Little Sandy District Health Department, Portsmouth City Health Department, Lawrence County (Ohio and Kentucky) health departments, 16 school districts, Kentucky State Police, Ohio Highway Patrol, Governor's Office of Highway Safety, and the FIVCO Area Development District We have established partnerships with the private sector through Wal-Mart Stores, K-Mart, Belk's, Stultz Pharmacy, Food Fair stores, J W Village Market, more than 140 churches, Liebert Corporation, Dow Chemical, Marathon Petroleum, local EMS services, Greenup County Farm Bureau, Summer Motion Festival, Poage Landing Days Festival, five (5) new car dealerships, physician volunteers and others Higher education and their nursing schools also are partners, these include Ashland Community and Technical College, Kentucky Christian University and Ohio University Southern Participation in Government sponsored healthcare programs King's Daughters participated in Medicare, Tricare and the Medicaid programs of Kentucky, Ohio and West Virginia Additional Medicaid programs are participated in if the patients present with them Description of Community Benefit Programs Community Health Services Mobile Health Unit King's Daughters 40-foot mobile health unit accommodates area health departments, employers and schools in rural areas by providing clinical space for screening mammography, osteoporosis screenings, school and workplace physicals, drug tests, pap tests, etc KDMC continues to partner with Ashland-Boyd County, Greenup County and Little Sandy District health departments providing the Mobile Health Unit and the driver at no charge During spring of 2008, KDMC applied for grant funds through the Susan G Komen Lexington Affiliate to help continue a partnership to provide mammography in Martin, Magoffin and Wolfe counties, a region where these services are not easily available The grant was funded allowing mammograms to be provided to uninsured or underinsured women ages 40-64 for free in the counties of Boyd, Carter, Greenup, Elliott, Lawrence, Martin, Magoffin and Wolfe These counties were chosen based on breast cancer mortality rates and mammography screening rates A second grant was received from the Susa</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	990 PT III	<p>n G Komen Columbus (Ohio) Affiliate that provides free mammograms to the target audience in Lawrence, Jackson and Scioto counties, Ohio These partnerships allowed more than 1,700 people to receive health services, including 979 mammograms, 500 occupational health visits and 290 health department visits The cost to operate the mobile unit is absorbed by the medical center and does not result in any increased cost to the patient The primary function of the Mobile Health Unit is to improve access to healthcare Hospitality House The Hospitality House provides families a warm, inviting place to stay while their loved ones are hospitalized The 12,000 square-foot residence features 13 guest rooms with private baths, as well as a common kitchen and dining area, a living room and laundry facilities Families that live outside our community with limited resources (financial, transportation, family support) who have a loved one in critical care are referred by KDMC Social Workers to the Hospitality House Guests of the Hospitality House include adult family members or caregivers of either critically ill patients receiving care at KDMC, or qualifying outpatients receiving extended therapeutic care In nearly all cases, guests live outside a 30-mile radius of Ashland The House does not charge families to stay, however a number of the guests made a voluntary contribution The Hospitality House served 2,012 guests during the fiscal year Access to Prescription Medications During 2008, King's Daughters had clerical staff dedicated to helping patients served by our family care centers and home health agency complete the required paperwork to access drug company prescription programs This allows patients that cannot afford their medication to access the medication at little or no cost The clerk works with the patient to complete the needed forms then forwards the information along with the physician order to the drug company Assistance with continuation applications is also available The medical center does not bill patients for this service and is not reimbursed by the drug company During fiscal year 2008, more than 358 patients were assisted by the program In addition, the Family Care Centers provide sample medications to indigent patients This program is provided at no cost to the patient Family Care Center staff record the medications, label for use and document the distribution More than 9 Call Center During 2008, KDMC's Call Center assisted callers with class registrations, literature requests, physician referrals and general information related to the medical center During the year, the Call Center totaled 15,556 calls Calls included physician referrals, requests for health literature and calls to register for classes or free health screenings Tobacco Cessation/Lung Health The Tobacco Cessation Program and Lung Health Program offer support through Tobacco Cessation Classes and assistance to patients diagnosed with lung cancer at KDMC The Lung Health Program includes a clinical nurse specialist who provides patient navigation for newly diagnosed lung cancer patients The program includes two lung health advocates that provide tobacco cessation counseling and classes In 2008, 110 community members graduated from our tobacco cessation classes The 24-week program has a very high success rate with 82% of graduates smoke free after the first year and 78% smoke free after five years Flu Shots During the fiscal year, KDMC provided 2,969 free flu shots throughout the community With the flu shot program, we strive to reach populations that are at higher risk of contracting the flu Targeted populations include those designated high risk by the Center for Disease Control, caregivers of vulnerable populations including homeless, indigent, schoolteachers, day care workers and caregivers for the elderly Flu shots are delivered through a variety of settings and in multiple counties served by the medical center Car Seat Safety Inspections / Safe Kids River Cities Communities Coalition KDMC continues to be the lead agency for the River Cities SAFE KIDS Coalition The coalition is comprised of 25 people from more than a dozen agencies who meet monthly to devise childhood injury prevention strategies to make our community a safe place for our children Of the efforts, child passenger safety is a favorite cause By securing grant funds, a total of 6 local volunteers underwent 32 hours of child passenger safety training and technician certification last year, bringing the total technicians trained to more than 110 The coalition's technicians inspected 286 seats, through Safe Kids events, with 98 percent incorrectly installed Technicians demonstrated correct installation for the parents using proper techniques Additional grant dollars were secured to offer low cost or free car seats to individuals that could not afford to buy a child safety seat Other programs include bicycle, playground, farm and fire safety</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	990 PT III	<p>Tobacco Education KDMC continues to teach children about the ill effects of tobacco KDMC provides Tobacco Free Academies for students in fourth through sixth grades in Boyd, Carter and Greenup counties in Kentucky and Lawrence County in Ohio Additional programming is provided for all other school age children targeting the anti-tobacco message In fiscal year 2008, KDMC sponsored free tobacco education programs for area children and adults More than 23,378 students heard about the dangers of tobacco use, with an additional 9,889 adults getting the anti-tobacco message There were more than 2,000 attendees at KDMC's 24-week smoking cessation classes KDMC has two lung health program coordinators that teach the tobacco cessation program classes Blood Donor Donations To help ensure an adequate blood supply, KDMC partners with the American Red Cross Blood Services, making significant efforts to secure more blood donors through regularly scheduled blood drives and a fixed-site blood donation facility located on medical center property Ongoing promotions remind employees, patients and families of the upcoming blood drives and donor room These blood collection efforts produced more than 755 productive blood donations for the year Health Ministries KDMC through its FaithWorks program continues to build relationships within the area congregations The Community Services Department coordinates the program through a registered nurse or health educator with primary responsibility to serve as a health resource to any local congregation that is interested Resources such as equipment and staff for health fairs, educational seminars, health literature, etc are provided to members The health ministries program has more than 145 member churches and provided 256 screenings, flu shot clinics or educational program events The Pastoral Care Services Department employs four full-time chaplains to provide spiritual and emotional support for our patients, their families and friends and for the staff of King's Daughters Medical Center One-on-one counseling as well as group counseling, which includes grief support and palliative care for end-of-life patients and their families, is offered by the department Pastoral Care Services offers quarterly memorial services for families who experience the death of a loved one at the medical center Additionally, Pastoral Care Services sponsors a monthly prayer breakfast in the community, which allows community members and business people to meet for prayer and inspiration prior to the start of the workday In honor of the National Day of Prayer, KDMC sponsors a prayer breakfast on campus with more than 300 persons in attendance Health Screenings For many years, KDMC has routinely sponsored free health screenings in a seven county area, however, demand for these screenings continues to grow and attracts a wide age group Last year, KDMC sponsored more than 246 events reaching more than 49,000 individuals Screenings offered include Blood pressure - 9,190 screened, 34% abnormal Total cholesterol - 7,448 screened, 30% abnormal Blood sugar - 7,826 screened, 19% abnormal Lung function - 1,076 screened, 24% abnormal Blood oxygen - 8,052 screened, 0% abnormal Pulse rate - 7,548 screened Ankle brachial index - 335 screened, 30% abnormal Lipid profile - 451 screened 67% abnormal Abdominal ultrasound - 200 screened, 3% abnormal Carotid ultrasound - 199 screened, 4% abnormal Hearing - 165 screened, 48% abnormal Osteoporosis - 280 screened, 37% abnormal Skin cancer - 374 screened, 21% abnormal Colon cancer - 427 screened, 3% abnormal Prostate cancer - 536 screened, 6% abnormal Carpal tunnel syndrome - 375 screened Balance assessment (fall risk) - 45 screened Body Mass Index - 187 screened, 23% overweight or obese Framingham Heart Risk assessment - 92 screened Sports physicals - 413 provided Orthotic (foot) assessments - 35 performed A healthcare professional reviewed screening results with participants and provided them with educational materials Individuals with abnormal results were sent a follow-up letter reminding them to share their results with their healthcare provider Children's Educational Programming Keeping a young child's or teenagers' attention in a high tech world is challenging Children present a special problem in how to reach them with a healthy lifestyle message To reach this audience KDMC partners with schools, churches and preschool programs During 2008, KDMC sponsored the following activities Act in Time to Heart Attack Signs - 700 served Bicycle safety - 1,103 served Bone health - 913 served Brain health - 5,567 served Breast cancer education - 782 served Colon Cancer education - 700 served Diabetes education - 727 served Early Heart Attack Signs & Symptoms - 705 served Exercise is Fun - 1,168 served First Aid training - 156 served Hand washing - 1,911 served Heart health - 6,735 served Hydration education - 358 Lung Cancer education - 743 served Nutrition - 13,241</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	990 PT III	<p>served Poison prevention - 808 served Safety (includes ATV, wheeled safety, water and others) - 3,629 served Skin cancer education - 1,548 served Stuffed, a seven foot, over-stuffed teaching doll, reveals his major internal organs by unzipping his tummy - 1,263 served Summer safety - 822 served Tobacco education - 23,378 served Vehicle safety - 594 served Other health and safety education programs - 1,660 Educational programs for adults The medical center focuses educational programs on adults in the community through various venues including special classes, church events and in partnership with our health screenings During 2008 the following educational offerings took place Act in Time to Heart Attack Signs - 714 served Alcohol and other drugs - 160 served Bicycle safety - 620 served Bone health - 588 served Breast health - 2,284 served Childbirth - 579 served Colon cancer - 1,438 served Diabetes education - 1,822 served Early Heart attack Signs & Symptoms - 1,584 served Exercise - 626 served Hand washing - 988 served Heart health - 8,380 served Hydration education - 340 served Lung cancer - 763 served Nutrition - 4,704 served Oral cancer - 250 served Poison prevention - 520 served Safety - 2,393 served Skin health - 2,856 served Stroke - 5,613 served Summer safety - 602 served Testicular Cancer - 291 served Tobacco - 9,889 served Vehicle safety - 270 served Meals-on-Wheels KDMC, together with two local non-profit agencies, CARES and Community Kitchen, provide three daily meals, five-days-a-week, to an average of 50 community members that are homebound and unable to take care of cooking meals for themselves Over 110 community volunteers make the deliveries, and of those, 103 are KDMC employees, who volunteered a total of 2,097 hours last year to the Meals-on-Wheels program KDMC Community Services Department coordinates all volunteers, delivery routes and finances while Community Kitchen, the local soup kitchen, prepares and packages meals ready for delivery and CARES, a local referral agency screening applicants The Meals-on-Wheels program delivered 10,671 meals during 2008 Meal recipients pay only \$15 per week, KDMC subsidizes the cost of the program by \$36,107 Support Groups KDMC sponsors support groups for people with diabetes, Crohn's and Colitis, depression, heart failure, stroke, breast cancer, prostate cancer, brain injury and those dealing with grief During fiscal year 2008, 1,362 individuals attended support group meetings at KDMC Health Connections Membership Service In 2008, KDMC continued to offer free health education, health screenings and flu shot programming to this membership group Through the program, physicians and health care professionals offer a wide variety of educational presentations This year's presentations cover topics such as colon cancer, breast cancer, heart disease, Parkinson's disease and safe driving classes Nearly 500 individuals attended Health Connections programs Parent Education In a collaborative effort, KDMC partnered with five local school districts in organizing a half-day parent education program KDMC sponsored the band, Wolfe Brothers, which delivers an anti-drug message through their music KDMC also set up educational booths addressing tobacco use and nutrition More than 500 parents, foster parents and educators, as well as 400 children, attended Adopt-a-Family More than 100 departments within the hospital and more than 1,200 team members purchased Christmas gifts and food for 130 needy families KDMC adopts families selected through a partnership with CARES, a local resource and referral agency In addition, elderly residents of area nursing homes are adopted The medical center provided each family with a gift certificate for perishable food items for Christmas dinner Baby Day KDMC's Baby Day invited the nearly 1,700 babies born in 2004 back to the medical center for a birthday celebration In addition to games and activities, education on immunization, hand washing, car seat safety and bicycle safety was offered reaching more than 231 four-year-olds and 347 parents Eighty team members volunteered to help make the event a huge success Community Halloween Party KDMC and the City of Ashland cosponsor a Halloween Party in an effort to offer an alternative to children who do not have safe trick-or-treat neighborhoods Through candy, games, prizes, and of course toothbrushes for all, approximately 1,500 children and parents have a fun and safe Halloween Health Care Professionals Education Training and Continuing Education Helping keep our workforce up-to-date with the latest information is important to providing quality health care KDMC, through the Learning and Organizational Development department, offers educational programming, either at no charge to KDMC team members or for a nominal fee to offset cost for other area health professionals The medical center's general fee statement is KDMC team members and affiliates - free All others \$</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	990 PT III	<p>10 (covers cost of course materials and lunch) The target audience's include physicians, nurses, allied health professionals, and other healthcare providers with an interest in the latest innovations in heart and vascular care. Last year, 12,208 hours nursing education were provided. The medical center also provided 2,044 hours of continuing education for area physicians. Educational Conferences: The medical center hosts several events for the benefit of the community. These events are open to all doctors and nurses in the region and are accredited for continuing education hours. During 2008, the following events were held: Cancer Conference, Oct 2007, 89 attendees; Regional Cancer Conference, Aug 2008, 120 attendees; Stroke Symposium, 130 attendees; Multidisciplinary Care of the Bariatric patient, 45 attendees; Medical/Surgical Nurses Conference, 55 attendees; Heart Conference, 215 attendees; Women's Health Conference, 215 attendees; Pharmacology Update, 33 attendees; EMS Conference, Dec 2007, 71 attendees; EMS Conference, Mar 2008, 92 attendees. The medical center provided funding for these conferences at a cost of \$107,777. Regional CPR Training Center: In partnership with the American Heart Association, KDMC coordinates the CPR training center for a 20 county region. Courses offered through the training center include cardiopulmonary resuscitation (CPR), automatic external defibrillator (AED), advanced life support (ACLS) and pediatric life support (PALS). KDMC offers on-site classes in all areas including instructor courses. Coordination also includes keeping instructor information current, issuing certification cards, housing books and other needed supplies and maintaining manikins. The training center issued more than 8,800 certification cards last year. Clinical Rounds for Nursing Students: The medical center partners with seven area nursing schools (Ashland Community and Technical College, Collins Career Center, Ohio University Southern, Marshall University, Morehead State University, Rio Grande University and Shawnee State University) to provide bedside clinical rotations for their students. Medical center nursing staff act as preceptors for the student nurses, helping them to learn with first hand patient experience. During the 2008 calendar year, 1,462 student nurses were assigned to the medical center. Hospital nursing staff spent 7,392 hours with the nursing students during their clinical rotation experience. Clinical Experience for Radiology Students: The medical center partners with several schools to provide clinical experience for their students. During fiscal year 2009, 63 students spent 3,720 hours with KDMC Radiology Department staff. Students gained experience in X-ray, Ultrasound, Cat Scan and MRI. Subsidized Services To Meet Community Need: Women and Children's Health: KDMC delivered more than 1,800 babies this year to mothers of all socioeconomic levels. These mothers-to-be and their families were offered a variety of educational programs free of charge including childbirth education (including weekend courses), parent/grandparent refresher courses, new sibling class, infant and child CPR and postpartum education ranging from breast-feeding to car seat installation and safety. Any new mother needing a car seat was provided a new car seat at no charge. Diabetes Education: Due to the high incidence of diabetes in our area, two full time diabetes educators and three part time diabetes educators provided one-on-one counseling. Additional support services include an adult diabetes support group and diabetes in youth support group. A four part diabetes self-management class series also was held monthly. Neonatal Intensive Care (NICU): The King's Daughters NICU is one of four Level III units in Kentucky, which means our NICU can deliver the most advanced care available. The NICU has two neonatologists and specially trained nursing staff who provide round-the-clock care for our smallest and most fragile infants. Cardiology Clinic: The Cardiology Clinic helps patients manage their heart conditions. Patients taking blood thinners, struggling with heart failure and battling abnormal cholesterol levels can find the resources and support they need to stay healthy and avoid hospitalizations. The specialty clinic also has a women's heart health program to alert women to possible risk factors and help them reduce their risk of developing heart problems.</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS - (CONT)	990 PT III	<p>Behavioral Medicine KDMC's Behavioral Medicine Unit is for adults who need inpatient treatment for emotional and behavioral disorders. The unit has 27 beds, provides 24-hour nursing care in a tobacco free environment, and has an interdisciplinary team that works together to provide the most comprehensive care for our behavioral medicine patients.</p> <p>Emergency Services The King's Daughters Emergency Department (ED) is open 24 hours a day, seven days per week to treat emergencies. Our ED features 35 beds, as well as a 10-bed Express Care Unit that provides treatment for minor injuries and illnesses. Patients arriving at the ED see a triage nurse that evaluates their condition and prioritizes care according to this assessment - more emergent patients are seen first. KDMC's ED sees all patients regardless of their ability to pay.</p> <p>Medical Research and Clinical Trials The King's Daughter's Medical Center, Office of Research Operations coordinates a variety of clinical trials related to oncology, and works in conjunction with the Kentucky Heart Institute to conduct heart and vascular trials (detailed in a separate narrative). If qualified, oncology patients may choose to participate in a clinical trial. Clinical trials test the benefits of new drugs and treatment regimens and may help to determine optimal standards of care. KDMC participates with many sponsoring institutions including the University of Kentucky Medical Center, National Surgical Adjuvant Breast and Bowel Project, the Cancer and Leukemia Group B, Cancer Trials Support Unit (sponsored by the National Cancer Institute), Southwest Oncology Group, Gynecological Oncology Group, Cancer Trials Support Unit (in support of the National Cancer Institute) and the Clinical Trials Network in association with the Kentucky Lung Cancer Research Program. In addition to clinical trials, King's Daughter's Medical Center offers the Hereditary Cancer Program through the Oncology Service Line, which provides genetic counseling to patients who may be predisposed to carry a hereditary gene causing cancer. Currently genetic testing is available for types of hereditary breast, ovarian, uterine, colon, and thyroid cancers. The Oncology Service Line supports the overall cancer program and maintains the American College of Surgeons Accreditation (requirements for accreditation include a minimum 2% of the prior years cancer registry participate in a clinical trial during each year of the 3 year accreditation period). The Cancer Registry collects, analyzes and enters into the Kentucky Cancer Registry all cancers either diagnosed and/or first treated at KDMC. In turn, the Kentucky Registry submits state data into a national database, which includes types of cancers, stage and treatment modalities. Comparative data is then analyzed across the nation for incidence, stage of cancer diagnosed and types of cancer diagnosed. This data is used in decision making about cancer screening and education programs. Comparative data is then analyzed across the nation for incidence, stage of cancer diagnosed, types of cancer diagnosed and length of survival.</p> <p>Several Heart and Vascular clinical trials were conducted by King's Daughter's Medical Center (KDMC) in FY 2008. KDMC worked in conjunction with the Kentucky Heart Institute and various drug/device sponsors to provide many patients an opportunity to participate in a clinical trial. Trials conducted included PLATO (a trial comparing an investigational drug with Clopidogrel for prevention of vascular events in patients with Acute Coronary Syndromes), SAPPHIRE (a device trial which allows both symptomatic and asymptomatic patients with carotid stenosis to be treated), COGNITIVE (a trial to determine whether adding omeprazole to clopidogrel is safe and effective in reducing the incidence of gastrointestinal bleeding and ulcer disease in patients on aspirin therapy), DETERMINE (evaluating internal defibrillators and prevention of early death using cardiac MRI), HIT/HITTS (monitors the frequency of low blood platelets in patients receiving Bivalirudin during percutaneous coronary intervention), PEDAL (a study performed in conjunction with the annual Legs for Life screening to predict cardiovascular disease based on patient interviews and ankle brachial index readings), PROTECT II (comparing the Impella system vs. intra aortic balloon pump), PIVOTAL (a device trial providing abdominal aortic aneurysm grafts earlier in the patient's disease progression), IMPROVE-IT (a drug trial comparing two anti-lipid regimens), and CHAMPION (a trial to compare two blood clot prevention drugs during angioplasty). Clinical trials are conducted at KDMC via the Office of Research Operations (ORO). The ORO in turn, provides clinical and administrative support in partnership with physicians serving as principal and sub-investigators.</p> <p>Financial and In-Kind Contributions Health Education Nursing Education To help insure an adequate healthcare workforce, the medical center provided support</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS - (CONT)	990 PT III	<p>ort to Ashland Community and Technical College's School of Nursing for program expansion (\$239,400) Community Benefit - Health Related To help insure that the areas underserved have access to help at the most basic need, the medical center sponsors a number of non-pro fits and programs Some of those assisted are as follows Hearts in Action As part of the Hearts in Action initiative, KDMC began working closer with area EMS services in order to identify opportunities to improve pre-hospital care for patients The medical center continued their support of the EMS services by providing the Spirit Globalstar GSP-1600 satellite phone system service, which helps overcome dead zones that are common in rural areas with other mobile phone services KDMC's CPR Training Center staff also provided the necessary training for the EMS staff to be able to use the new equipment (\$11,589) In addition, the medical center provided 26 portable AEDs to organizations in Lawrence and Scioto counties in Ohio The AEDs were distributed to other non-profits and first responder organizations (\$40,000) CAREs Resource and Referral Agency During fiscal year 2008, KDMC contributed money to CAREs, local non-profit organization that assists low-income or uninsured persons with meeting basic needs and purchasing prescription medications KDMC Family Care Centers also help patients complete forms to access long term medications through pharmaceutical company programs Medication Assistance (\$10,000), Operational Support (\$1,000), Food Vouchers (\$1,000) Two Hearts Pregnancy Center KDMC provided financial support for Two Hearts Pregnancy Center, a local non-profit that helps women who find themselves in a crisis situation over a pregnancy (\$3,000) Boyd County Coroner As part of our disaster preparedness measures, the medical center assisted the Boyd County Coroner's office with the purchase of a new cooler for the storage of bodies (\$12,000) Kentucky Senior Games Understanding the importance of exercise and staying physically active at all ages, the medical center provided support to the City of Ashland to help offset the cost of the Kentucky Senior Games which the City hosted during September 2008 The Senior Games encourage senior citizens to not only be active but to do so competitively The games feature races, tennis, swimming and many other activities for senior citizens to participate in (\$5,000) Other support The medical center supports national organizations through local efforts to raise funds supporting medical research and health education programs These include the Alzheimer's Association, Juvenile Diabetes Foundation, Foundation for the Tri-State, March of Dimes Walk America, and the American Cancer Society (\$5,500) In addition, support was provided to Ironton City Mission and Lawrence County (Ohio) Community Action Organization (\$850) Community Building - Non-health Russell Independent Schools The medical center provided support for the school district's Coats for Kids drive through a financial donation to purchase coats for children whose families could not afford them (\$2,500) Ashland/Boyd County Little League Support was provided for books on sportsmanship The books called "Chatter Up" were distributed through the league sign-ups (\$2,500) Millennium Sports Management - Brandon Webb baseball camp Arizona Diamondback's pitcher Brandon Webb sponsors a baseball camp each winter for young people in the Ashland area The medical center provides funds to support the attendance of young people that may not be able to afford the camp (\$2,500) Arts and Entertainment The medical center supports area arts and entertainment as part of the overall quality of life for the region Those supported include the Tri State India Associates Festival of Light, Paramount Arts Center, and Highlands Museum and Discovery Center (\$11,890) In-kind contributions KDMC donated more than \$23,000 of in-kind contributions This includes food, personal care items, medical supplies, first aid kits, children's car seats, educational activity books, baby care kits, diapers, formula, etc Additionally, KDMC donates furniture, electronics, computers and medical equipment taken out of use at the medical center to churches, schools, colleges and other non-profit agencies KDMC also assists with activities of other agencies by providing silent auction items and door prizes for fund raising events Community Building Activities Voluntary Leadership As the largest employer in the region, KDMC is the business leader for the annual community United Way Campaign KDMC had 1,586 team members contributed more than \$114,000 to the local initiative Members of KDMC's leadership team also serve on a number of Boards of other non-profits including Youth Leadership of Boyd & Greenup counties, United Way, River Cities Harvest, Ramey-Estep Home, Paramount Arts Center, Neighbors Helping Neighbors, Community Hospice, Ashland Main Street, KY-ASAP, Kentucky Highlands Mu</p>

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS - (CONT)	990 PT III	<p>seum, March of Dimes and CARES Community Projects KDMC is located in an area that has many non-profit organizations raising funds and awareness for their project, including the American Heart Association, American Cancer Society, American Red Cross, The Neighborhood, Big Brothers/Big Sisters KDMC team members help organize events and provide leadership through fund raising and recruiting volunteers KDMC encourages team members to participate and frequently "loans" team members to the cause Economic Development As part of the medical centers contribution to local economic development, the medical center supported the Ashland Main Street project (\$5,000) Other Events and Activities Big Brothers/Big Sisters Christmas Tree Sale The medical center had more than 148 team members volunteer to assist March of Dimes Walk America, 48 employees walked - more than \$7,800 raised American Cancer Society Relay for Life, Boyd, Carter and Greenup counties, more than 500 attendees, 73 team member volunteers raised more than \$8,000 Repair Affair home improvement project for low income and handicapped families 40 team members volunteered to do repairs and upgrades to selected HUD approved houses KING'S DAUGHTERS MEDICAL CENTER QUANTIFIABLE COMMUNITY BENEFIT FISCAL YEAR 2008 CHARITY CARE - AT COST \$10,805,686 GOVERNMENT SPONSORED HEALTH CARE - NET EXPENSE UNPAID COST OF MEDICAID \$20,742,534 COMMUNITY BENEFIT PROGRAMS - NET EXPENSE COMMUNITY HEALTH SERVICES \$1,864,428 HEALTH PROFESSIONS EDUCATION 335,593 SUBSIDIZED HEALTH SERVICES 1,059,223 RESEARCH 788,268 FINANCIAL AND IN-KIND CONTRIBUTIONS 799,756 COMMUNITY BUILDING ACTIVITIES 245,474 COMMUNITY BENEFIT OPERATIONS 528,756 \$5,621,498 TOTAL QUANTIFIABLE COMMUNITY BENEFIT \$37,169,718</p>

TY 2007 Investments - Other Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Book Value	Cost/FMV
ASHLAND MEDICAL PROPERTIES	1,510,500	
ASHLAND NURSING HOME CORP.	8,710,111	
CHILD DEVELOPMENT CENTER CORP.	2,310,841	
INVESTMENT IN PREMIER, INC.	75,000	
INVESTMENT IN PURCHASING PRTNR	289,208	

TY 2007 Mortgages and Notes Payable Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Total Mortgage Amount: 21334545

Item No.	1
Lender's Name	NOTE PAYABLE
Lender's Title	
Relationship to Insider	
Original Amount of Loan	1250067
Balance Due	1085551
Date of Note	2007-10
Maturity Date	2009-03
Repayment Terms	\$24,167 MTHLY / \$1,015,079 FINAL PYMT
Interest Rate	6.0
Security Provided by Borrower	MRI MACHINE
Purpose of Loan	MAGENETIC RESONANCE IMAGING MACHINE
Description of Lender Consideration	
Consideration FMV	

Item No.	2
Lender's Name	NOTE PAYABLE - BANK
Lender's Title	
Relationship to Insider	
Original Amount of Loan	15000000
Balance Due	15000000
Date of Note	
Maturity Date	2009-02
Repayment Terms	REVOLVING NOTE PAYABLE
Interest Rate	3.25
Security Provided by Borrower	UNSECURED
Purpose of Loan	
Description of Lender Consideration	
Consideration FMV	

Item No.	3
Lender's Name	CAPITAL LEASE PAYABLE
Lender's Title	
Relationship to Insider	
Original Amount of Loan	
Balance Due	5248994
Date of Note	
Maturity Date	2009-06
Repayment Terms	
Interest Rate	5.25
Security Provided by Borrower	
Purpose of Loan	
Description of Lender Consideration	
Consideration FMV	

TY 2007 Non Cash Grants Paid Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Item No.	1
Class of Activity	
Donee's Name	BOYD COUNTY EMS
Donee's Address	2758 GREENUP AVENUE ASHLAND, KY 41101
Amount (FMV)	
Relationship	NONE
Description	
Book Value	2170
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

Item No.	2
Class of Activity	
Donee's Name	CARTER COUNTY EMS
Donee's Address	520 E MAIN STREET GRAYSON, KY 41143
Amount (FMV)	
Relationship	NONE
Description	
Book Value	2473
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

Item No.	3
Class of Activity	
Donee's Name	ELLIOTT COUNTY EMS
Donee's Address	PO BOX 361 SANDY HOOK, KY 41171
Amount (FMV)	
Relationship	NONE
Description	
Book Value	989
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

Item No.	4
Class of Activity	
Donee's Name	GREENUP COUNTY EMS
Donee's Address	1104 POWELL LANE FLATWOODS, KY 41139
Amount (FMV)	
Relationship	NONE
Description	
Book Value	1626
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

Item No.	5
Class of Activity	
Donee's Name	SOUTHEAST OHIO EMS
Donee's Address	PO BOX 527 KERR, OH 45643
Amount (FMV)	
Relationship	NONE
Description	
Book Value	2473
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

Item No.	6
Class of Activity	
Donee's Name	VARIOUS COMMUNITY ORGANIZATIONS
Donee's Address	
Amount (FMV)	
Relationship	NONE
Description	
Book Value	39135
How Book Value is Determined?	
How FMV is Determined?	
Date of Gift	

TY 2007 Other Assets Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Beginning of Year Amount	End of Year Amount
DEFERRED FINANCE CHARGES	5,273,207	2,335,225
ASSET LTD-SELF TRUST AGREEMENT	5,800,958	5,237,225
ASSET LTD-BOND INDENTR AGRMNT	3,185,008	11,994,552
OTHER ASSETS	1,639,180	1,024,590
GOODWILL	158,450	158,450

TY 2007 Other Changes in Net Assets Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA

KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Amount
MINIMUM PENSION LIABILITY ADJUSTMENT	7,589,613
CHANGE IN FV OF INTEREST RATE SWAP AGRMT	4,938,261
CHANGE IN FV OF SELF INSURANCE TRUST	1,669,901
CHANGE IN FV - FUND DEPR	19,580,103

TY 2007 Other Expenses Included Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
 KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Amount
RENTAL EXP RECLASSSED TO REV	23,494
ROUNDING	2

**TY 2007 Other Expenses
Not Included Schedule**

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Amount
REVENUE RECLASSIFIED FROM EXPENSE	317,996

TY 2007 Other Liabilities Schedule**Name:** ASHLAND HOSPITAL CORPORATION DBA

KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Beginning of Year Amount	End of Year Amount
ESTIMATED 3RD PARTY PAYABLE	4,041,449	2,730,463
ESTIMATED MALPRACTICE COSTS	5,484,984	6,316,909
DERIVATIVES OBLIGATION	1,538,998	
RETENTION PLAN	1,958,436	2,673,174
INTEREST RATE SWAP AGREEMENTS		6,477,259
ACCRUED PENSION OBLIGATION		8,034,365

**TY 2007 Other Notes/Loans
Receivable Short Schedule**

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Category/Name	Amount
PHYSICIAN RECEIVABLES	3,027,308
INTERCOMPANY RECEIVABLES	5,994,135

TY 2007 Other Revenues Included Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
 KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Amount
RENTAL EXP RECLASSIFIED TO REV	23,494
ROUNDING	2
MINIMUM PENSION LIABILITY ADJ	-7,589,613

**TY 2007 Other Revenues
Not Included Schedule**

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Description	Amount
REVENUE RECLASSIFIED FROM EXPENSE	317,996

TY 2007 Relationship Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Person Name / Business Name	Title or Role	Person Name 2 / Business Name 2	Title or Role 2	Relationship
MAYOLA BOYKIN MD	VP, MEDICAL/DENTAL STAFF		PRESIDENT	HIGHEST PAID CONTRACTOR

TY 2007 Tax-Exempt Bond Liabilities Schedule

Name: ASHLAND HOSPITAL CORPORATION DBA
 KING'S DAUGHTERS' MEDICAL CENTER
EIN: 61-0444716

Item No.	1
Name of Issue	
Purpose	MED CTR REV IMPRV BD SER 1993B
Amount Outstanding	0
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2023-02
Repayment Terms	ANNUAL INSTALLMETNS
Interest Rate	365 %
Security	MED CTR GROSS RECEIPTS, LAND/FIX ASSETS

Item No.	2
Name of Issue	
Purpose	MED CTR REV REFND BD SER 1998
Amount Outstanding	35314526
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2028-02
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	504 %
Security	MED CTR GROSS RECEIPTS, LAND/FIX ASSETS

Item No.	3
Name of Issue	
Purpose	MED CTR REV IMPRV BD SER 2001
Amount Outstanding	0
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2031-02
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	365 %
Security	MED CTR GROSS RECEIPTS, LAND/FIX ASSETS

Item No.	4
Name of Issue	
Purpose	MED CTR REV REFND BD SER 2003A
Amount Outstanding	8357640
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2012-02
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	484 %
Security	MED CTR GROSS RECEIPTS,LAND/FIX ASSETS

Item No.	5
Name of Issue	
Purpose	MED CTR REV REFND BD SER 2003B
Amount Outstanding	0
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2028-02
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	354 %
Security	MED CTR GROSS RECEIPTS,LAND/FIX ASSETS

Item No.	6
Name of Issue	
Purpose	MED CTR REV IMPRV BD SER 2004
Amount Outstanding	0
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2034-02
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	365 %
Security	MED CTR GROSS RECEIPTS,LAND/FIX ASSETS

Item No.	7
Name of Issue	
Purpose	MED CTR REV IMPRV BD SER 2006
Amount Outstanding	0
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2036-09
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	365 %
Security	MED CTR GROSS RECEIPTS, LAND/FIX ASSETS

Item No.	8
Name of Issue	
Purpose	MED CTR REV SER 2008A
Amount Outstanding	50000000
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2038-09
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	400 %
Security	IRREVOCABLE LETTERS OF CREDIT

Item No.	9
Name of Issue	
Purpose	MED CTR REV SER 2008B
Amount Outstanding	50000000
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2038-09
Repayment Terms	ANNUAL INSTALLMENTS
Interest Rate	400 %
Security	IRREVOCABLE LETTERS OF CREDIT

Item No.	10
Name of Issue	
Purpose	MED CTR REC SER 2008C
Amount Outstanding	45708338
Unexpeded Bond Proceeds	
Third Party Use	
Space Percentage	
Maturity Date	2038-09
Repayment Terms	SEMI-ANN INT/VAR PRN
Interest Rate	400 %
Security	

TY 2007 Non Electing Public Charities Statement

Name: ASHLAND HOSPITAL CORPORATION DBA
KING'S DAUGHTERS' MEDICAL CENTER

EIN: 61-0444716

Statement: ASHLAND HOSPITAL CORPORATION PAID MEMBERSHIP DUES OF \$124,830 TO THE KENTUCKY HOSPITAL ASSOCIATION OF WHICH 17.20% OR \$21,471 WAS USED FOR LOBBYING ACTIVITIES.

TY 2007 Self Dealing Statement

Name: ASHLAND HOSPITAL CORPORATION DBA
 KING'S DAUGHTERS' MEDICAL CENTER
EIN: 61-0444716

Line Number	Explanation
2a	NATIONAL CITY BANK (CHAIRMAN DAVID JONES) LEASES BUSINESS SPACE FROM ASHLAND HOSPITAL CORPORATION. THE ABOVE TRANSACTION WAS CONDUCTED ON AN ARMS LENGTH BASIS AND DEEMED TO BE IN THE BEST INTEREST OF HOSPITAL BY AN INDEPENDENT BOARD.
2c	ALL THE FOLLOWING SERVICES OR GOODS WERE FURNISHED AT ARMS-LENGTH: 1)NATIONAL CITY BANK (CHAIRMAN DAVID JONES) RECEIVED \$1,909,203 FOR CREDIT CARD PAYMENTS AND MANAGEMENT FEES. 2)ASHLAND OFFICE SUPPLY (BOARD MEMBER TOM BURNETTE) RECEIVED \$2,136,048 FOR THE PURCHASE OF OFFICE SUPPLIES, FURNITURE & EQUIPMENT AND THE REPAIR OF OFFICE EQUIPMENT. 3)BOYD COUNTY FORD (BOARD MEMBER KEN BLANTON) RECEIVED \$67,230 FOR AUTOMOBILE PURCHASES, LEASES AND MAINTENANCE WORK. 4)LIGHT'S ENTERPRISES (BOARD MEMBER MIKE LIGHT) RECEIVED \$3,745 FOR DEMOLITION, FENCING, TREE REMOVAL, LEVELING, AND RENOVATION SERVICES. 5)KEVIN WILLIS, M.D. (PRESIDENT MED/DENT STAFF) RECEIVED \$425,710 FOR MEDICAL/DENTAL STAFF PRESIDENT HONORARIUM AND HOSPITALIST COVERAGE. 6) MAYOLA BOYKIN, M.D. (VP MED/DENT STAFF) RECEIVED \$12,000 FOR MEDICAL/DENTAL STAFF VICE-PRESIDENT HONORARIUM. 7)TRI-STATE RADIOLOGY PSC (BOARD MEMBER MAYOLA BOYKIN, M.D.) RECEIVED \$2,896,630 FOR RADIOLOGY SERVICES, PHYSICIAN RECRUITMENT CONTRACTS, AND RADIOLOGY SUPPORT AGREEMENT. 8)KDMC AUXILIARY (BOARD MEMBER JERRY HENDERSON) RECEIVED \$455,494 FOR GIFT SHOP PURCHASES 9)GRIFFITH, DELANEY, HILLMAN & CO (BOARD MEMBER TRACY HILLMAN) RECEIVED \$1,560 FOR PREPARATION OF SUBSIDIARY TAX RETURN. 10) RAYMOND MECCA, M.D. (BOARD MEMBER) RECEIVED \$1,000 FOR COMMITTEE CHAIRMAN HONORARIUM. 11)STEPHEN ADDINGTON (BOARD MEMBER) RECEIVED \$48 FOR A PATIENT REFUND. ALL OF THE TRANSACTIONS WERE CONDUCTED ON AN ARMS LENGTH BASIS AND DEEMED TO BE IN THE BEST INTEREST OF THE HOSPITAL BY AN INDEPENDENT BOARD.
2d	SEE 990 PART V-A