

## Return of Organization Exempt from Income Tax

OMB No 1545 0047

2004 2005

Open to Public Inspection

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

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

A For the 2004 calendar year, or tax year beginning 1/01, 2004, and ending 6/30, 2005

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  
instruc-  
tions.Peninsula Behavioral Health  
P.O. Box 789  
Louisville, TN 37777

D Employer identification number

51-0186987

E Telephone number

865-380-1456

F Accounting method:

☐ Cash☒ 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).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ 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 ☒ No

I Group Exemption Number ▶

M Check ☐ if the organization is not required  
to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: ▶ www.covenanthealth.com/aboutus/pbh/pbh.cfm

J Organization type  
(check only one)☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than  
\$25,000. The organization need not file a return with the IRS, but if the organization  
received a Form 990 Package in the mail, it should file a return without financial data.  
Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 18,323,501.

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

1 Contributions, gifts, grants, and similar amounts received.

a Direct public support

1a

b Indirect public support

1b

91,497.

c Government contributions (grants)

1c

354,185.

d Total (add lines 1a through 1c) (cash \$ 431,482. noncash \$ 14,200.)

1d 445,682.

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2 17,819,125.

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4 2,075.

5 Dividends and interest from securities

5

6a Gross rents

6a

b Less. rental expenses

6b

c Net rental income or (loss) (subtract line 6b from line 6a)

6c

7 Other investment income (describe ▶ )

7

8a Gross amount from sales of assets other  
than inventory

(A) Securities

(B) Other

8a

b Less. cost or other basis and sales expenses

8b

29.

c Gain or (loss) (attach schedule) Statement 1

8c

-29.

d Net gain or (loss) (combine line 8c, columns (A) and (B))

8d -29.

9 Special events and activities (attach schedule). If any amount is from gaming, check here ☐a Gross revenue (not including \$ of contributions  
reported on line 1a)

9a

b Less: direct expenses other than fundraising expenses

9b

c Net income or (loss) from special events (subtract line 9b from line 9a)

9c

10a Gross sales of inventory, less returns and allowances

10a

b Less. cost of goods sold

10b

c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

10c

11 Other revenue (from Part VII, line 103)

11 56,619.

12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12 18,323,472.

13 Program services (from line 44, column (B))

13 13,510,326.

14 Management and general (from line 44, column (C))

14 4,455,127.

15 Fundraising (from line 44, column (D))

15

16 Payments to affiliates (attach schedule)

16

17 Total expenses (add lines 16 and 44, column (A))

17 17,965,453.

18 Expenses (deductible) for the year (subtract line 17 from line 12)

18 358,019.

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19 1,290,999.

20 Other changes in net assets or fund balances (attach explanation)

See Statement 2

20 -919.

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21 1,648,099.

SCANNED JUL 05 2005

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MAY 15 2006

OPEN

**Part II 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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) See Stm 3 (cash \$ 1,000. non-cash \$ )	22	1,000.	1,000.		
23 Specific assistance to individuals (att sch) St. 4	23	39,101.	39,101.		
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	74,529.	59,624.	14,905.	
26 Other salaries and wages	26	9,724,245.	7,779,396.	1,944,849.	
27 Pension plan contributions	27	292,873.	234,298.	58,575.	
28 Other employee benefits	28	1,141,470.	913,176.	228,294.	
29 Payroll taxes	29	753,817.	603,054.	150,763.	
30 Professional fundraising fees	30				
31 Accounting fees	31	30,400.		30,400.	
32 Legal fees	32	133,800.		133,800.	
33 Supplies	33	1,016,453.	813,162.	203,291.	
34 Telephone	34	117,830.	94,264.	23,566.	
35 Postage and shipping	35				
36 Occupancy	36	296,549.	237,239.	59,310.	
37 Equipment rental and maintenance	37	68,744.	54,995.	13,749.	
38 Printing and publications	38				
39 Travel	39	136,661.	109,329.	27,332.	
40 Conferences, conventions, and meetings	40	1,422.	1,138.	284.	
41 Interest	41	66,442.	53,154.	13,288.	
42 Depreciation, depletion, etc (attach schedule)	42	709,275.	567,420.	141,855.	
43 Other expenses not covered above (itemize)					
a See Statement 5	43a	3,360,842.	1,949,976.	1,410,866.	
b	43b				
c	43c				
d	43d				
e	43e				
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	17,965,453.	13,510,326.	4,455,127.	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 \$ ; (ii) the amount allocated to Program services \$ ; (iii) the amount allocated to Management and general \$ ; and (iv) the amount allocated to Fundraising \$ .

**Part III Statement of Program Service Accomplishments**What is the organization's primary exempt purpose? ☐ See Statement 6

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) &amp; (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants &amp; allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) and  
(4) organizations and  
4947(a)(1) trusts, but  
optional for others)

a See Statement 6A			
	(Grants and allocations \$	1,000.)	13,510,326.
b			
	(Grants and allocations \$	)	
c			
	(Grants and allocations \$	)	
d			
	(Grants and allocations \$	)	
e Other program services	(Grants and allocations \$	)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)			13,510,326.

**Part IV Balance Sheets** (See Instructions)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	<b>45</b> Cash — non-interest-bearing	1,435.	<b>45</b>	1,710.
	<b>46</b> Savings and temporary cash investments	148,004.	<b>46</b>	82,098.
	<b>47 a</b> Accounts receivable	15,105,664.		
	<b>b</b> Less: allowance for doubtful accounts	13,672,306.	1,364,022.	1,433,358.
	<b>48 a</b> Pledges receivable			
	<b>b</b> Less: allowance for doubtful accounts			
	<b>49</b> Grants receivable	161,663.	<b>49</b>	202,356.
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)		<b>50</b>	
	<b>51 a</b> Other notes & loans receivable (attach sch)			
	<b>b</b> Less: allowance for doubtful accounts			
	<b>52</b> Inventories for sale or use	101,979.	<b>52</b>	186,777.
	<b>53</b> Prepaid expenses and deferred charges	263,467.	<b>53</b>	300,473.
	<b>54</b> Investments — securities (attach schedule)		<b>54</b>	
	<b>55 a</b> Investments — land, buildings, & equipment: basis			
	<b>b</b> Less: accumulated depreciation (attach schedule)			
<b>56</b> Investments — other (attach schedule)		<b>56</b>		
<b>57 a</b> Land, buildings, and equipment: basis	27,440,179.			
<b>b</b> Less: accumulated depreciation (attach schedule)	16,782,878.	10,760,022.	10,657,301.	
<b>58</b> Other assets (describe ► See Statement 8)	342,676.	<b>58</b>	355,053.	
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)	13,143,268.	<b>59</b>	13,219,126.	
<b>LIABILITIES</b>	<b>60</b> Accounts payable and accrued expenses	5,207,000.	<b>60</b>	4,564,897.
	<b>61</b> Grants payable		<b>61</b>	
	<b>62</b> Deferred revenue		<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)		<b>63</b>	
	<b>64 a</b> Tax-exempt bond liabilities (attach schedule)		<b>64 a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) See Statement 9	2,535,027.	<b>64 b</b>	2,535,027.
	<b>65</b> Other liabilities (describe ► See Statement 10)	4,110,242.	<b>65</b>	4,471,103.
<b>66 Total liabilities</b> (add lines 60 through 65)	11,852,269.	<b>66</b>	11,571,027.	
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	<b>67</b> Unrestricted	1,290,999.	<b>67</b>	1,648,099.
	<b>68</b> Temporarily restricted		<b>68</b>	
	<b>69</b> Permanently restricted		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74			
	<b>70</b> Capital stock, trust principal, or current funds		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds		<b>72</b>	
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,290,999.	<b>73</b>	1,648,099.
	<b>74 Total liabilities and net assets/fund balances</b> (add lines 66 and 73)	13,143,268.	<b>74</b>	13,219,126.

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.

BAA

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	\$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	
<b>d</b>	Amounts included on line 12, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	\$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	\$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	
<b>d</b>	Amounts included on line 17, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	\$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see instructions.)

(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 and deferred compensation	(E) Expense account and other allowances
See Statement 11				
		74,529.	4,638.	0.

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

See Statement 12

☒ Yes

☐ No

If 'Yes,' attach schedule — see instructions.

**Part VI Other Information** (See instructions.)

	Yes	No
<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
<b>77</b> 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.		X
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>b</b> If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?	N/A	
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	X	
See Statement 13		
<b>80a</b> 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?	X	
<b>b</b> If 'Yes,' enter the name of the organization ▶ See Statement 14		
and check whether it is <input checked="" type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt		
<b>81a</b> Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
<b>b</b> Did the organization file <b>Form 1120-POL</b> for this year?		X
<b>82a</b> 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?		X
<b>b</b> If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?		X
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
<b>85 501(c)(4), (5), or (6) organizations. a</b> Were substantially all dues nondeductible by members?	85a	N/A
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
<b>c</b> Dues, assessments, and similar amounts from members	85c	N/A
<b>d</b> Section 162(e) lobbying and political expenditures	85d	N/A
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
<b>h</b> 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?	85h	N/A
<b>86 501(c)(7) organizations. Enter. a</b> Initiation fees and capital contributions included on line 12	86a	N/A
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	86b	N/A
<b>87 501(c)(12) organizations. Enter. a</b> Gross income from members or shareholders	87a	N/A
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
<b>88</b> 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? If 'Yes,' complete Part IX	88	X
<b>89a 501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under. section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.</b>		
<b>b 501(c)(3) and 501(c)(4) organizations</b> 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? If 'Yes,' attach a statement explaining each transaction	89b	X
<b>c</b> Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
<b>d</b> Enter. Amount of tax on line 89c, above, reimbursed by the organization		0.
<b>90a</b> List the states with which a copy of this return is filed ▶ None		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	603
<b>91</b> The books are in care of ▶ Sonja Jones Telephone number ▶ 865-380-1456		
Located at ▶ P.O. Box 789, Louisville, TN ZIP + 4 ▶ 37777		
<b>92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041</b> — Check here	N/A	<input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

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

**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	
<b>93</b> Program service revenue.					
<b>a</b> <u>Mental Health Service</u>					17,819,125.
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees & contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings & temporary cash invmnts			14	2,075.	
<b>96</b> Dividends & interest from securities					
<b>97</b> Net rental income or (loss) from real estate:					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from pers prop					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					-29.
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					
<b>103</b> Other revenue. <b>a</b> _____					
<b>b</b> <u>See Statement 15</u>				32,999.	23,620.
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))				35,074.	17,842,716.
<b>105</b> Total (add line 104, columns (B), (D), and (E))					17,877,790.

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

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

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).
1	See Statement 16

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

(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
N/A	%			
	%			
	%			
	%			

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

**Note:** If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

**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: John T. Geppi Date: 5-10-2006

Type or print name and title: John T. Geppi EVPIE FO

**Paid Preparer's Use Only**

Preparer's signature: Self-Prepared Date: \_\_\_\_\_

Check if self-employed: ☐

Preparer's SSN or PTIN (See General Instruction W): \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP + 4: \_\_\_\_\_

EIN: \_\_\_\_\_

Phone no: \_\_\_\_\_

**SCHEDULE A**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**Organization Exempt Under  
Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 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

2005

~~2004~~

Name of the organization

Peninsula Behavioral Health

Employer identification number

51-0186987

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See 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 and deferred compensation	(e) Expense account and other allowances
Shyam P. Vuyyuru, M.D. Farragut, TN 37922	Physician 40+	121,881.	11,961.	0.
Kris D. Houser, M.D. Knoxville, TN 37923	Physician 40+	121,171.	2,380.	0.
Reggie T. Raman, M.D. Knoxville, TN 37922	Physician 40+	110,721.	11,387.	0.
Earnest C. Hudson, M.D. Maryville, TN 37803	Physician 40+	104,037.	10,938.	0.
Arun Jethanandani, M.D. Knoxville, TN 37922	Physician 40+	101,952.	10,991.	0.
Total number of other employees paid over \$50,000 ▶	13			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See instructions. List each one (whether individuals 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
Arnett, Draper & Hagood P.O. Box 300, Knoxville, TN 37901-0300	Legal	82,996.
Revenue Recovery Corporation 612 S Gay St., Knoxville, TN 37902	Billing Services	62,608.
Larry Davis, M.D. 8008 Lennox Drive, Knoxville, TN 37909	Patient Care	61,585.
Daniel Cox, M.D. 7026 Duncans Glen Rd., Knoxville, TN 37919	Patient Care	54,085.
Wagner Myers & Sanger P.O. Box 1308, Knoxville, TN 37901	Legal	52,306.
Total number of others receiving over \$50,000 for professional services ▶	2	

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

Schedule A (Form 990 or 990-EZ) 2004

**Part III** Statements About Activities (See instructions.)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including 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 ▶ \$ N/A

(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

1 X

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.

- 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.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

See Form 990, Part V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

- 3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

- 4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b X

**Part IV** Reason for Non-Private Foundation Status (See instructions.)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 supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	N/A				
<b>16</b> Membership fees received					
<b>17</b> 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					
<b>18</b> 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					
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22					
<b>24</b> Line 23 minus line 17					
<b>25</b> Enter 1% of line 23					

**26 Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 **N/A**

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 2000 through 2003 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts

c Total support for section 509(a)(1) test. Enter line 24, column (e)

d Add Amounts from column (e) for lines. **18** \_\_\_\_\_ **19** \_\_\_\_\_  
**22** \_\_\_\_\_ **26b** \_\_\_\_\_

e Public support (line 26c minus line 26d total)

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))**

<b>26a</b>	
<b>26b</b>	
<b>26c</b>	
<b>26d</b>	
<b>26e</b>	
<b>26f</b>	%

**27 Organizations described on line 12:** **N/A**

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.  
(2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_ (2000) \_\_\_\_\_

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 11, 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.  
(2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_ (2000) \_\_\_\_\_

c Add Amounts from column (e) for lines **15** \_\_\_\_\_ **16** \_\_\_\_\_  
**17** \_\_\_\_\_ **20** \_\_\_\_\_ **21** \_\_\_\_\_

d Add: Line 27a total \_\_\_\_\_ and line 27b total \_\_\_\_\_

e Public support (line 27c total minus line 27d total)

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))**

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))**

<b>27c</b>	
<b>27d</b>	
<b>27e</b>	
<b>27g</b>	%
<b>27h</b>	%

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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. **N/A**

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

		N/A	
		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?		
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?		
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.) ----- ----- -----		
32	Does the organization maintain the following.		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to.		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement ) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
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.		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions.)  
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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

**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.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> 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 instructions.)

N/A

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.

	Yes	No	Amount
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (add lines c through h.)			

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

BAA

Schedule A (Form 990 or 990-EZ) 2004



~~2004~~

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Federal Statements

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Peninsula Behavioral Health

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Statement 1  
Form 990, Part I, Line 8  
Net Gain (Loss) from Noninventory Sales

Other Assets

Description:	Filing Cabinet		
Date Acquired:	3/25/1994		
How Acquired:	Purchase		
Date Sold:	1/31/2005		
To Whom Sold:	Disposed		
Gross Sales Price:		0.	
Cost or Other Basis:		110.	
Depreciation:		81.	
			Gain (Loss) -29.

Total Gain (Loss) Other Assets \$ -29.

Total Net Gain (Loss) From Noninventory Sales \$ -29.

~~2004~~  
2005

## Federal Statements

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Peninsula Behavioral Health

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Statement 2  
Form 990, Part I, Line 20  
Other Changes in Net Assets or Fund Balances

Unrealized Gain on Investments

Total \$ -919.  
\$ -919.

~~2004~~  
2005

# Federal Statements

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Peninsula Behavioral Health

51-0186987

**Statement 3**  
**Form 990, Part II, Line 22**  
**Grants and Allocations**

Cash Grants and Allocations

Class of Activity:

Donation

Donee's Name:

NAMI

Donee's Address:

1101 Kermit Dr., Ste 605  
Nashville, TN 37217

Amount Given:

\$ 1,000.

Total Grants and Allocations \$ 1,000.

~~2004~~

2005

## Federal Statements

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Peninsula Behavioral Health

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**Statement 4**  
**Form 990, Part II, Line 23**  
**Specific Assistance to Individuals**

Rental and HUD Grant Assistance

	\$	39,101.
Total	\$	<u>39,101.</u>

~~2004~~

2005

## Federal Supplemental Information

Page 2

Peninsula Behavioral Health

51-0186987

Form 990  
Peninsula Behavioral Health  
June 30, 2005

### Statement 4A, Part II, Line 42-Depreciation Expense

Property, plant and equipment is stated on the basis of cost or fair value at the date of purchase. Depreciation is computed by the straight-line method based on the useful life of the asset.

~~2004~~  
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**Statement 5**  
**Form 990, Part II, Line 43**  
**Other Expenses**

	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Management &amp; General</u>	(D) <u>Fundraising</u>
Bad Debt Expense	392,263.	392,263.		
Collection Fees	17,116.	13,693.	3,423.	
Consulting Fees	10,835.	8,668.	2,167.	
Dues & Licenses	46,505.	37,204.	9,301.	
Education	41,554.	33,243.	8,311.	
Insurance	188,012.	150,410.	37,602.	
Management Fees	1,021,442.		1,021,442.	
Minor Equipment	27,040.	21,632.	5,408.	
Other	345,309.	276,250.	69,059.	
Physician Fees	400,615.	320,492.	80,123.	
Public Relations	110,262.	88,210.	22,052.	
Purchased Services	654,376.	523,501.	130,875.	
Recruitment	86,755.	69,404.	17,351.	
Rewards & Recognition	7,389.	5,911.	1,478.	
Subscriptions & Publications	6,441.	5,153.	1,288.	
Taxes	4,928.	3,942.	986.	
Total	<u>\$ 3,360,842.</u>	<u>\$ 1,949,976.</u>	<u>\$ 1,410,866.</u>	<u>\$ 0.</u>

~~2004~~

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## Federal Statements

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Peninsula Behavioral Health

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**Statement 6**  
**Form 990, Part III**  
**Organization's Primary Exempt Purpose**

Peninsula Behavioral Health, a member of the Covenant Health System, provides quality healthcare services including charity care and care to persons covered by governmental programs at below cost and to other residents of the community. Services include mental health crisis intervention, stabilization and detoxification, 24-hour nursing/physician care, medical observation and regulation of prescription medication, group therapy, family therapy, activity therapy, and structured group activities. The Covenant Health System provides quality healthcare services to residents of East Tennessee regardless of patients ability to pay and enhances the well being of the the reidents by offering non-hospital programs as well as through donations to and collaboration with other organizations.

**Statement 6A, Part III, Statement of Program Service Accomplishments**

Peninsula Behavioral Health provides a complete range of mental health and alcohol/drug treatment programs and is accredited by the Joint Commission on Accreditation of Healthcare Organizations. With more than 12 service locations in five East Tennessee counties, Peninsula offers inpatient and outpatient services for children, adolescents and adults.

Peninsula is committed to providing quality medical healthcare regardless of race, creed, sex, national origin, handicap, age or ability to pay. Although reimbursement of services rendered is critical to the operation and stability of Peninsula, it is recognized that not all individuals possess the ability to purchase essential medical services and further that our mission is to serve the community with respect to providing healthcare services and healthcare education. Therefore, in keeping with Peninsula's commitment to serve all members of the community:

- Free care and/or subsidized care,
- Care provided to persons covered by governmental programs, and
- Health activities and programs to support the community

will be considered where the need and an individual's inability to pay coexist. Our policy of providing care to people regardless of their ability to pay constitutes the greater part of our commitment of service to the community and the surrounding area. Other activities include community education programs and a variety of broad community support activities.

Peninsula provides care to persons covered by governmental programs at below cost. Recognizing its mission to the community, services are provided to both Medicare and Medicaid patients. The unreimbursed value of providing said services (charges) for the year ending June 30, 2005 was \$8,305,823 for services to Medicare, Medicaid and TennCare; \$1,417,692 for services to patients that received discounts from full charges; \$734,721 for services to charity and other indigent patients; and \$392,263 in charges which were not paid because they became bad debts. No patient was refused necessary medical care on the basis of their inability to pay.

In an effort to provide a continuum of care to patients, Peninsula offers the following facilities and services within the community:

Peninsula Hospital is a 155-bed facility that provides services for children, adolescents and adults with mental illness and/or substance abuse problems who are a threat to self, threat to others, or have significant impaired ability to carry out day-to-day functions. These services include mental health crisis intervention, assessment, stabilization,

discharge planning, medical detoxification, juvenile court-ordered evaluations, 24-hour physician/nursing care, medical evaluation/monitoring, history/physicals, group therapy and family therapy. The Hospital accepts voluntary and committed patients.

Peninsula Lighthouse provides partial hospitalization and intensive outpatient services for children and adolescents diagnosed with psychiatric disorders, chemical abuse and dependency, or behavioral problems at home and/or school. The Lighthouse also provides partial hospitalization and intensive outpatient services to adults diagnosed with emotional or chemical dependency issues. The Lighthouse addresses both psychiatric and substance abuse issues through the utilization of group, psycho-educational and medication modalities of care. The outpatient level of care is intensive and requires patients to attend either a four or five-day per week regimen of clinical care. The average program length is 13 sessions; however, individualized care will have a direct impact on specific patients' length of stay. Specific Lighthouse services include group therapy, family therapy, educational modalities, daily/weekly medication management, aftercare programs, spirituality programs, 12-step meetings and relapse prevention programs.

Peninsula Village provides long-term residential services for adolescents ages 13 to 18 with clinical and recovery emphasis specializing in mood disorders, substance abuse, out-of-control behavior, ADHD, personality disorders and those who have proven resistant to treatment in other settings. Program duration is individualized and varies depending on diagnosis and progress. The Village's specific services include small groups for individualized attention, weekly family therapy and individual therapy as needed, group therapy and intense group process, 24-hour nursing services, aftercare, state-approved private school, special education services, separate campuses for males and females, non-denominational program, locked assessment unit and outdoor cabin program, ropes course, 12-step programs and 24-hour supervision.

Senior Day Hospital provides a full continuum of outpatient treatment services designed specifically for adults 55 and older who are experiencing symptoms of depression, anxiety, dementia or other psychiatric disorders. Levels of care include partial hospitalization, structured outpatient, individual and family counseling. Senior Day Hospital services include free assessments, health/personal care education, medication evaluation/management, family education, discharge/aftercare planning, care coordination, lunch and transportation.

Peninsula Outpatient Centers located in Knox, Sevier, Blount, Monroe and Loudon counties provides services to those experiencing psychiatric illnesses/symptoms, substance abuse issues or both. Center services include case management, support groups, medication management, alcohol/drug treatment, assessment/referral services, group, individual and family therapy. The Centers provide therapeutic groups to include anger management, diagnosis issues, family issues, survivor issues and relapse prevention.

Mobile Crisis Unit provides crisis intervention services offered regardless of an individual's ability to pay. Mobile Crisis is an intervention service that responds to

individuals experiencing mental health crises often working in tandem with law enforcement personnel. Mobile Crisis personnel, who are supervised by Licensed Professional Counselors and Licensed Clinical Social Workers, travel to patients' locations and offer the following services: crisis evaluations at hospital emergency departments, homes, schools and other sites; psychiatric consults, telephone follow-up, determination of next level of care and referrals to appropriate services.

Peninsula offers additional programs to serve the community, including the following:

Beyond the Limits is an adventure-based program for children and adolescents that utilizes outdoor activities to improve self-perception in a supported environment. The program is for youth who have experimented with or have a family history of alcohol, drug or tobacco abuse or have early, persistent antisocial behaviors and a lack of commitment to school.

Drop-in Centers are empowerment and recovery-based programs for self-help, support and advocacy for adults experiencing mental illness. Individual centers are located in Knoxville, Maryville, Sevierville and Madisonville.

The Supported Employment Program provides assistance to adults experiencing mental illness in locating, ascertaining and maintaining employment in the community.

Community Outreach Service and Student Assistance Programs are a comprehensive and integrated joint partnership with schools that provide students, families and school staff with prevention, intervention, counseling, referral, support and educational services.

~~2004~~  
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## Federal Statements

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**Statement 7**  
**Form 990, Part IV, Line 57**  
**Land, Buildings, and Equipment**

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 907,291.	\$ 442,621.	\$ 464,670.
Machinery and Equipment	8,097,334.	6,428,466.	1,668,868.
Buildings	15,032,054.	9,593,222.	5,438,832.
Improvements	438,475.	318,569.	119,906.
Land	2,032,185.		2,032,185.
Miscellaneous	932,840.	0.	932,840.
Total	<u>\$ 27,440,179.</u>	<u>\$ 16,782,878.</u>	<u>\$ 10,657,301.</u>

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Peninsula Behavioral Health

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**Statement 8**  
**Form 990, Part IV, Line 58**  
**Other Assets**

Deferred Compensation	\$	49,861.
Miscellaneous		304,124.
Net Intangible Assets		1,068.
Total	\$	<u>355,053.</u>

~~2004~~

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# Federal Statements

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Peninsula Behavioral Health

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Statement 9  
Form 990, Part IV, Line 64b  
Mortgages and Other Notes Payable

Other Notes Payable

Purpose of Loan:  
Balance Due:

LONG TERM INDEBTEDNESS

\$ 2,535,027.

Total \$ 2,535,027.

~~2004~~  
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# Federal Statements

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Peninsula Behavioral Health

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**Statement 10**  
**Form 990, Part IV, Line 65**  
**Other Liabilities**

Miscellaneous  
Net Payable to Affiliates

	\$	85,861.
		<u>4,385,242.</u>
Total	\$	<u><u>4,471,103.</u></u>

~~2004~~  
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## Federal Statements

Page 1

Peninsula Behavioral Health

51-0186987

**Statement 11**  
**Form 990, Part V**  
**List of Officers, Directors, Trustees, and Key Employees**

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compensation</u>	<u>Contri- bution to EBP &amp; DC</u>	<u>Expense Account/ Other</u>
Archer W. Bishop, Jr., M.D. P.O. Box 11146 Knoxville, TN 37939	Director As Needed	\$ 0.	\$ 0.	\$ 0.
Harry M. Call 12000 Avallon Place Knoxville, TN 37922-2432	Director As Needed	0.	0.	0.
H. Bowen Carey 604 Grove Street Loudon, TN 37774	Director As Needed	0.	0.	0.
Kenneth T. Creed 7025 Stone Mill Road Knoxville, TN 37919	Director As Needed	0.	0.	0.
Ann B. Furrow 5300 Turtle Point Lane Knoxville, TN 37919	Director As Needed	0.	0.	0.
William Hall, M.D. 988 Oak Ridge Tnpk, Ste 380 Oak Ridge, TN 37830	Director As Needed	0.	0.	0.
Clifford Q. Johnson, M.D. 9430 Park West Blvd., Ste 330 Knoxville, TN 37923	Director As Needed	0.	0.	0.
Robert H. Kirk, H.S.D. 1604 Riverside Road Knoxville, TN 37914	Director As Needed	0.	0.	0.
Karla Lane 120 Cavett Hill Ln. Knoxville, TN 37922	Director As Needed	0.	0.	0.
Randolph M. Lowry, M.D. 501 20th St., Suite 206 Knoxville, TN 37916	Director As Needed	0.	0.	0.
Larry B. Martin 800 S. Gay Street, 6th Floor Knoxville, TN 37929-1111	Chairman As Needed	0.	0.	0.
Charles T. McGaha 2540 Boyds Creek Highway Sevierville, TN 37876	Director As Needed	0.	0.	0.

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## Federal Statements

Page 2

Peninsula Behavioral Health

51-0186987

Statement 11 (continued)  
Form 990, Part V  
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Cletus J. McMahon, Jr., M.D. 90 Vermont Ave., Suite 300 Oak Ridge, TN 37830	2nd Vice Chair As Needed	\$ 0.	\$ 0.	\$ 0.
J. Robert Merriman, Ph.D. 1864 W. Miller's Cove Rd. Walland, TN 37886-2635	Director As Needed	0.	0.	0.
Francis Olmstead, Jr. 7328 Misty Meadow Pl. Knoxville, TN 37919	Director As Needed	0.	0.	0.
R. B. Summitt, II P.O. Box 5288 Sevierville, TN 37864-5288	Director As Needed	0.	0.	0.
Anthony L. Spezia ** 100 Fort Sanders West Blvd. Knoxville, TN 37922	President & CEO 40+	0.	0.	0.
Joseph E. Sutter 5413 Shenandoah Dr. Knoxville, TN 37909	Director As Needed	0.	0.	0.
Ronald D. Townsend, Ph.D. 1299 Bethel Valley Rd., SC-200 Oak Ridge, TN 37830	Director As Needed	0.	0.	0.
John T. Geppi ** 1410 Centerpoint Blvd, Ste 401 Knoxville, TN 37932	Secretary 40+	0.	0.	0.
David L. Coffey 300 Casa del Lago Way Lenoir City, TN 37771	Director As Needed	0.	0.	0.
Bennie R. Sims P.O. Box 789 Louisville, TN 37777	CFO 40+	74,529.	4,638.	0.
Barbara S. Blevins ** P.O. Box 789 Louisville, TN 37777	CAO 40+	0.	0.	0.

\*\*Compensated under Management  
Contract with Covenant Health  
See Stmts 12 & 12A

Total \$ 74,529. \$ 4,638. \$ 0.

~~2004~~

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## Federal Statements

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Peninsula Behavioral Health

51-0186987

Statement 12  
Form 990, Part V, Line 75  
List of Officers, Directors, Trustees, and Key Employees

Name and Related Organization	Compen- sation	Contrib- tion to EBP & DC	Expense Account\ Other
<u>Anthony L. Spezia **</u> Covenant Health 62-1646734	\$ 591,335.	\$ 13,664.	\$ 0.
<u>John T. Geppi **</u> Covenant Health 62-1646734	236,285.	23,754.	0.
<u>Barbara S. Blevins **</u> Covenant Health 62-1646734	136,124.	11,737.	0.
Total	<u>\$ 963,744.</u>	<u>\$ 49,155.</u>	<u>\$ 0.</u>

COMPENSATION REFLECTS TOTAL AMOUNTS PAID BY ALL AFFILIATES AS  
INDICATED IN PART VI, LINE 80(b).

\*\* SEE STATEMENT 12A

~~2004~~  
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## Federal Supplemental Information

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Peninsula Behavioral Health

51-0186987

### STATEMENT 12A: 990, PART V

Covenant Health utilizes the services of Mercer Human Resources Consulting, an independent, nationally recognized, fee-based executive compensation consultant, in developing its executive compensation strategies and the components of its compensation program. Mercer's services include: (1) providing pay comparisons against the market, (2) recommending salary ranges and increases and (3) certifying the reasonableness of executive compensation.

Under Covenant's current executive compensation program, executive base salaries and total compensation are targeted at or below the 50th and 75th national percentile, respectively, based on Mercer's independent analysis of executive compensation practices of health care systems of similar size, scope and complexity and considering executives performance, longevity and other relevant factors.

Generally, executive compensation is comprised of three components: (1) annual salary, (2) an annual incentive bonus based on performance and (3) an incentive based, deferred compensation plan designed to link executives to the long-term strategic performance of the organization; to provide an incentive for the retention of key executives; and to compete in the market place for top leadership talent. All incentive awards are subject to forfeiture under certain conditions and included along with annual salary and annual bonus awards when determining reasonableness of total compensation.

~~2004~~

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## Federal Statements

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Peninsula Behavioral Health

51-0186987

**Statement 13**  
**Form 990 , Part VI, Line 79**  
**Liquidation, Dissolution, Termination, Etc.**

Peninsula Behavioral Health(EIN #51-0186987) merged with Parkwest Medical Center(EIN #58-1897274) on July 1, 2005. Please see the attached copies of the "Articles of Merger" and the "Agreement and Plan of Merger".

**2004**

2005

**Federal Statements****Page 2****Peninsula Behavioral Health****51-0186987****Statement 14  
Form 990, Part VI, Line 80b  
Related Organizations**

<u>Name of Organization</u>	<u>Exempt</u>	<u>Nonexempt</u>
Covenant Health	X	
Covenant Homecare	X	
Fort Loudoun Medical Center	X	
Fort Sanders Foundation	X	
Fort Sanders Perinatal Center	X	
Fort Sanders Regional Medical Center	X	
Fort Sanders Sevier Medical Center	X	
Fortress Corporation and Subsidiaries		X
Medcenters Homecare	X	
Methodist Medical Center and Subs	X	
Parkwest Medical Center	X	
PHP Companies Inc and Subsidiaries		X
Thompson Cancer Survival Center and Subs	X	

~~2004~~

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## Federal Statements

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Peninsula Behavioral Health

51-0186987

Statement 15  
Form 990, Part VII, Line 103  
Other Revenue

Other Revenue	(A) Busi- ness Code	(B) Unrelated Business Amount	(C) Exclu- sion Code	(D) Excluded Amount	(E) Related or Exempt Function
Dietary Revenue			3	\$ 23,432.	
Management Fees					\$ 7,083.
Medical Records			3	5,335.	
Miscellaneous					16,537.
Patient Pharmacy			3	2,084.	
Vending Income			3	2,148.	
Total		\$ 0.		\$ 32,999.	\$ 23,620.

~~2004~~

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## Federal Statements

Page 2

Peninsula Behavioral Health

51-0186987

**Statement 16**  
**Form 990, Part VIII**  
**Relationship of Activities to the Accomplishment of Exempt Purposes**

<u>Line #</u>	<u>Explanation of Activities</u>
93A	Provided outpatient therapy and consulting for persons who have alcohol and drug dependency problems and who have mental disorders or stress related problems. Treatment is provided regardless of ability to pay.
103	Provided supporting services, including accounting, to tax-exempt subsidiaries.
103	Miscellaneous income related to exempt purpose, including refunds, rebates, rep payee agency fees, and other related revenue.

RECEIVED  
 ARTICLES OF MERGER

FILED

OF 2005 JUN 30 PM 2:53

PENINSULA BEHAVIORAL HEALTH, INC.  
 a Tennessee nonprofit corporation

INTO

PARKWEST MEDICAL CENTER,  
 a Tennessee nonprofit corporation

TO THE SECRETARY OF STATE OF TENNESSEE:

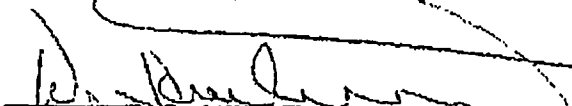
Pursuant to TENN. CODE ANN. § 48-61-104, the undersigned nonprofit, public benefit corporation, Parkwest Medical Center, hereby delivers the following articles of merger:

1. The Agreement and Plan of Merger whereby Peninsula Behavioral Health ("PBH") Tennessee nonprofit, public benefit corporation, shall be merged into Parkwest Medical Center ("Parkwest"), a Tennessee nonprofit, public benefit corporation, with Parkwest being the surviving corporation, is attached hereto as Exhibit A and incorporated herein fully by this reference.
2. The Agreement and Plan of Merger was duly approved by Covenant Health, the sole member of each of Parkwest and PBH.
3. The Agreement and Plan of Merger was duly approved by a sufficient vote of the boards of directors of Parkwest and PBH at duly called and held meetings on June 6, 2005.

Executed this 23<sup>rd</sup> day of June, 2005 by Parkwest, as the surviving corporation.

PARKWEST MEDICAL CENTER

By:

  
 Wayne Heatherly, Chief Administrative Officer

3 4 2 0 5 1 1 5 1 3



## AGREEMENT AND PLAN OF MERGER

OF

PENINSULA BEHAVIORAL HEALTH,  
a Tennessee nonprofit corporation,

INTO

PARKWEST MEDICAL CENTER,  
a Tennessee nonprofit corporation

This AGREEMENT AND PLAN OF MERGER ("Plan of Merger") is made and entered into between PENINSULA BEHAVIORAL HEALTH ("PBH") and PARKWEST MEDICAL CENTER ("Parkwest"), each of which is a nonprofit, public benefit corporation formed under the Tennessee Nonprofit Corporation Act.

WITNESSETH:

WHEREAS, PBH and Parkwest, and each of their respective boards of directors, deem it advisable and to the advantage, welfare and best interest of said corporations to merge PBH into Parkwest, which shall be the surviving corporation, pursuant to the provisions of the Tennessee Nonprofit Corporation Act, TENN. CODE ANN. § 48-51-101, *et seq.*, and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, the promises, mutual covenants, duties and obligations of the parties as hereinafter set forth, and for other good and valuable consideration, the receipt and legal sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Corporations Party to Merger. The names of the corporations which are parties to this Plan of Merger and which will merge pursuant to the terms and provisions hereof are:

Peninsula Behavioral Health, a Tennessee nonprofit, public benefit corporation,  
and  
Parkwest Medical Center, a Tennessee nonprofit, public benefit corporation

2. Surviving Corporation. Parkwest shall be the surviving corporation.

3. Effect of Merger; Terms and Conditions of Merger. The effect of the merger hereby contemplated shall be as provided in TENN. CODE ANN. § 48-61-105 and as otherwise provided in or by the Tennessee Nonprofit Corporation Act. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time (as defined in Section 8 hereof), PBH will be merged into Parkwest, which shall be the surviving corporation, in accordance with the following terms:

✓

10 4 23 11 11 11

1 (a) Parkwest, as the surviving corporation, shall continue its corporate existence under the laws of the State of Tennessee and the separate existence of PBH shall cease;

(b) the corporate name of Parkwest shall remain unchanged;

(c) all membership interests in PBH shall be canceled. The membership interest in Parkwest shall not be affected and shall continue to be held by Covenant Health, as the sole member;

(d) Parkwest shall possess all the rights, privileges, powers and franchises of whatsoever nature and description, public as well as private, and be subject to all of the restrictions, disabilities and duties of PBH, and all the rights, privileges, powers and franchises, and all the property, real, personal and mixed, of PBH shall be vested in Parkwest;

(e) all property, rights and privileges, powers and franchises, and all and every other interest of PBH shall be as effectively the property of Parkwest as they were of PBH without further act or deed, and the title to any real estate vested by deed or otherwise in PBH shall not revert or be in any way impaired by reason of the merger;

(f) all rights of creditors and all liens upon the property of PBH shall be preserved, unimpaired, and all debts, liabilities and duties of PBH shall thenceforth attach to Parkwest and may be enforced against Parkwest to the same extent as if the debts, liabilities and duties had been incurred or contracted by Parkwest;

(g) any existing claim, action or proceeding, whether civil, criminal or administrative, by or against PBH, may be prosecuted to judgment or decree as if the merger had not taken place, or Parkwest may be substituted in such action or proceeding; and

(h) any status of PBH, specifically including, but not limited to, its status as a Community Mental Health Center and its status as a mobile crisis unit, shall in no way be impaired by reason of merger.

4. Charter and Bylaws. From and after the Effective Time, the charter and bylaws of Parkwest shall continue in effect as the same exist prior to the merger.

5. Officers of Parkwest. From and after the Effective Time, the officers of Parkwest in office immediately prior to the Effective Time shall continue to serve as officers of Parkwest, without change.

6. Directors of Parkwest. From and after the Effective Time, the directors of Parkwest in office immediately prior to the Effective Time shall serve as the Board of Directors of Parkwest, without change.

✓

5 4 3 2 1 0 9 8 7 6 5 4 3 2 1

7. Notice to Attorney General. Pursuant to TENN. CODE ANN. § 48-61-102(b), PBH and Parkwest shall provide the Attorney General of the State of Tennessee with advance notice of the merger, and the Attorney General shall either waive the requirement of § 48-61-102(b) or shall approve or take no action to enjoin or otherwise prohibit the merger prior to the filing of Articles of Merger by Parkwest with the Secretary of State of Tennessee.

8. Effective Time. The merger contemplated hereby shall be deemed to occur and be effective on June 30, 2005, at midnight ("Effective Time").

9. Additional Acts. If at any time Parkwest shall deem or be advised that any further conveyance, assignment, assurance or other act or instrument is necessary or desirable to better confirm in Parkwest, as the surviving corporation, the title to any property of PBH, the proper and former officers and directors of PBH shall, at the request and expense of Parkwest, take all such actions and do all such things that may be necessary or proper to vest or confirm title to such property in Parkwest, as the surviving corporation, or otherwise carry out the purposes of this Plan of Merger.

IN WITNESS WHEREOF, the parties have caused their duly authorized officers to execute this Plan of Merger as of this 23<sup>rd</sup> day of June, 2005.

PENINSULA BEHAVIORAL HEALTH

By: Barbara A. Blevins  
(Barbara Blevins, Chief Administrative Officer)

PARKWEST MEDICAL CENTER

By: Wayne Heatherly  
(Wayne Heatherly, Chief Administrative Officer)

✓

**Application for Extension of Time to File an  
Exempt Organization Return**

OMB No. 1545-1709

Department of the Treasury  
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.**Part I Automatic 3-Month Extension of Time** — Only submit original (no copies needed)**Form 990-T corporations** requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.***Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6-months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

<b>Type or print</b> File by the due date for filing your return. See instructions.	Name of Exempt Organization	Employer identification number
	Peninsula Behavioral Health	51-0186987
	Number, street, and room or suite number. If a P.O. box, see instructions.	
	P.O. Box 789	
	City, town or post office. For a foreign address, see instructions.	state ZIP code
	Louisville, TN 37777	

**Check type of return to be filed** (file a separate application for each return).

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                    | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)         | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                                 | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ Sonja Jones

Telephone No ▶ 865-380-1456 FAX No ▶ 865-380-1469

- If the organization does **not** have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole** group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

**1** I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until 2/15, 20 06, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- ▶ ☐ calendar year 20\_\_ or
- ▶ ☒ tax year beginning 1/01, 20 05, and ending 6/30, 20 05.

**2** If this tax year is for less than 12 months, check reason ☐ Initial return ☒ Final return ☐ Change in accounting period**3a** If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0.**b** If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ 0.**c Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.**BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.**Form **8868** (Rev. 12-2004)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time – Must File Original and One Copy.**

Type or print	Name of Exempt Organization	Employer identification number
	Peninsula Behavioral Health	51-0186987
	Number, street, and room or suite number. If a P.O. box, see instructions	For IRS use only
	P.O. Box 789	
File by the extended due date for filing the return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	Louisville, TN 37777	

**Check type of return to be filed** (File a separate application for each return).

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (trust other than above)         | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 1041-A                                 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 4720                                   |                                    |

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in care of Sonja Jones  
Telephone No. 865-380-1456 FAX No 865-380-1469
- If the organization does **not** have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organizations four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box ☐. If it is **part** of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until 5/15, 20 06.
- 5 For calendar year \_\_\_\_\_, or other tax year beginning 1/01, 20 05, and ending 6/30, 20 05.
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☒ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension Taxpayer respectfully requests an extension of time in order to gather third party information necessary to file a complete and accurate return.
- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ \_\_\_\_\_
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ \_\_\_\_\_
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ \_\_\_\_\_

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature John T. Sepp Title EVP/CFO Date 2/1/2006

**Notice to Applicant – To be Completed by the IRS**

- ☒ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period elections otherwise required to be made on a timely filed return. Please attach this.
- ☐ We have not approved this application. After considering the reasons stated in it, we are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the extended due date.
- ☐ Other. \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_

**Alternate Mailing Address** – Enter the address if you want the copy of this application to be mailed to an address different than the one entered above.

Type or print	Name
	Covenant Health
	Number and street (include suite, room, or apartment number) or a P.O. box number
	1410 Centerpoint Blvd, Ste 401
	City or town, province or state, and country (including postal or ZIP code)
	Knoxville, TN 37932

**EXTENSION APPROVED**  
**MAR 03 2006**  
FIELD DIRECTOR,  
SUBMISSION PROCESSING, OGDEN.