

Return of Organization Exempt From Income Tax

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

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 2007, **and ending** _____

<p>B Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Termination</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type. See Specific Instructions.</p>	<p>C Name of organization <u>MEDICORP HEALTH SYSTEM</u></p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>2300 FALL HILL AVENUE</u> <u>308</u></p> <p>City or town, state or country, and ZIP + 4 <u>FREDERICKSBURG, VA 22401</u></p>	<p>D Employer identification number <u>54-1240646</u></p> <p>E Telephone number <u>(540) 741-1821</u></p> <p>F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶</p>
		<p>• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).</p>	<p>H and I are not applicable to section 527 organizations.</p> <p>H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>H(b) If "Yes," enter number of affiliates ▶</p> <p>H(c) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list. See instructions.)</p> <p>H(d) Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>I Group Exemption Number ▶</p> <p>M Check <input type="checkbox"/> if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).</p>
<p>G Website: ▶ <u>WWW.MEDICORP.ORG</u></p>		<p>J Organization type (check only one) ▶ <input checked="" type="checkbox"/> 501(c)(3) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</p>	
<p>K Check here <input type="checkbox"/> if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.</p>		<p>L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ <u>52,350,484.</u></p>	

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

	1	Contributions, gifts, grants, and similar amounts received:		
	a	Contributions to donor advised funds	1a	
	b	Direct public support (not included on line 1a)	1b	63,276.
	c	Indirect public support (not included on line 1a)	1c	
	d	Government contributions (grants) (not included on line 1a)	1d	341,362.
	e	Total (add lines 1a through 1d) (cash \$ <u>404,638.</u> noncash \$ _____)	1e	404,638.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	43,679,641.
	3	Membership dues and assessments	3	
	4	Interest on savings and temporary cash investments	4	
	5	Dividends and interest from securities	5	2,534,561.
Revenue	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
			3,971,532.	55,246.
	b	Less: cost or other basis and sales expenses	8b	
	c	Gain or (loss) (attach schedule)	8c	55,246.
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d	4,026,778.
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>		
	a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	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	1,704,866.
	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	52,350,484.
Expenses	13	Program services (from line 44, column (B))	13	32,127,698.
	14	Management and general (from line 44, column (C))	14	17,633,714.
	15	Fundraising (from line 44, column (D))	15	123,620.
	16	Payments to affiliates (attach schedule)	16	
	17	Total expenses. Add lines 16 and 44, column (A)	17	49,885,032.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	2,465,452.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	34,258,605.
	20	Other changes in net assets or fund balances (attach explanation) STMT .3. . . STMT. 4 .	20	60,297,540.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	97,021,597.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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. (See the instructions.)

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
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ <u>257,731.</u> noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	257,731.	257,731.	STMT 5	
23	Specific assistance to individuals (attach schedule).				
24	Benefits paid to or for members (attach schedule).				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A	3,654,744.	1,717,730.	1,827,372.	109,642.
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B	206,548.	97,078.	103,274.	6,196.
25c	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)				
26	Salaries and wages of employees not included on lines 25a, b, and c	16,752,255.	9,548,785.	7,203,470.	
27	Pension plan contributions not included on lines 25a, b, and c	2,768,743.	1,495,121.	1,270,853.	2,769.
28	Employee benefits not included on lines 25a -27	3,587,366.	1,937,178.	1,646,601.	3,587.
29	Payroll taxes	1,426,085.	770,086.	654,573.	1,426.
30	Professional fundraising fees				
31	Accounting fees	209,486.		209,486.	
32	Legal fees	929,122.		929,122.	
33	Supplies	989,982.	989,982.		
34	Telephone	560,288.	308,158.	252,130.	
35	Postage and shipping	110,490.	110,490.		
36	Occupancy				
37	Equipment rental and maintenance	384,866.	211,676.	173,190.	
38	Printing and publications	259,389.	259,389.		
39	Travel	168,292.	168,292.		
40	Conferences, conventions, and meetings	488,376.	488,376.		
41	Interest	31,311.		31,311.	
42	Depreciation, depletion, etc. (attach schedule)	636,232.	636,232.		
43	Other expenses not covered above (itemize):				
43a	a STMT 6	16,463,726.	13,131,394.	3,332,332.	
43b	b				
43c	c				
43d	d				
43e	e				
43f	f				
43g	g				
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	49,885,032.	32,127,698.	17,633,714.	123,620.

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 (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.

What is the organization's primary exempt purpose? **SEE STATEMENT 7**

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.)

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

a **SEE STATEMENT 8**

(Grants and allocations \$ 257,731.) If this amount includes foreign grants, check here

32,127,698.

b

(Grants and allocations \$) If this amount includes foreign grants, check here

c

(Grants and allocations \$) If this amount includes foreign grants, check here

d

(Grants and allocations \$) If this amount includes foreign grants, check here

e Other program services (attach schedule)
(Grants and allocations \$) If this amount includes foreign grants, check here

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) **▶**

32,127,698.

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) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	34,291,614.	45	35,078,430.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable	91,542.	49	86,432.
	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(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	STMT 9 2,888,080.	51a	
	b Less: allowance for doubtful accounts	51b	51c	2,888,080.
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	STMT 10 989,853.	53	721,185.
	54a Investments - publicly-traded securities	STMT 11 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV 32,312,367.	54a	77,431,043.
	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)	STMT 12 273,820.	56	327,688.
	57a Land, buildings, and equipment: basis	57a 12,775,002.		
	b Less: accumulated depreciation (attach schedule)	57b 5,670,868.	57c	7,104,134.
58 Other assets, including program-related investments (describe <input type="checkbox"/> STMT 13)	4,025,934.	58	15,582,101.	
59 Total assets (must equal line 74). Add lines 45 through 58	76,368,447.	59	139,219,093.	
Liabilities	60 Accounts payable and accrued expenses	19,987,135.	60	15,125,150.
	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)		64a	
	b Mortgages and other notes payable (attach schedule)	STMT 14	64b	1,124,140.
	65 Other liabilities (describe <input type="checkbox"/> STMT 15)	22,122,707.	65	25,948,206.
	66 Total liabilities. Add lines 60 through 65	42,109,842.	66	42,197,496.
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	34,258,605.	67	97,021,597.
	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)	34,258,605.	73	97,021,597.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	76,368,447.	74	139,219,093.	

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. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)
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?
85a 501(c)(4), (5), or (6). 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. (Do not net amounts due or paid to other sources against amounts due or received from them.)
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? If "Yes," complete Part IX
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)? If "Yes," complete Part XI
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; 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? If "Yes," attach a statement explaining each transaction
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 a 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 (See instructions.)
91a The books are in care of JINA HAIKEY Telephone no. 540-741-1821
Located at 2300 FALL HILL AVENUE SUITE 308 FREDERICKSBURG, VA ZIP + 4 22401
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

Part VI Other Information (continued)

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 | N/A

Part VII Analysis of Income-Producing Activities (See the 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	
93 Program service revenue:					
a MANAGEMENT SERVICES	561000	720,539.			42,133,972.
b PERSONNEL SERVICES					601,905.
c HEALTH LINK					97,080.
d ASSOC ASSIST PROGRAM					126,145.
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	2,534,561.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	4,026,778.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b OTHER REVENUE			03	1,704,866.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		720,539.		8,266,205.	42,959,102.
105 Total (add line 104, columns (B), (D), and (E))					51,945,846.

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.)

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).
	STMT 26

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the 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
STMT 27	%		14,958,578.	23,088,752.
	%			
	%			
	%			

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? 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).

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).

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	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

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	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

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: *Wolfgang J. Halkey* Date: 11/4/08

Type or print name and title: WOLFGANG J HALKEY VICE PRESIDENT

Paid Preparer's Use Only

Preparer's signature: *Ch. R. C.* Date: 10/24/2008 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: COHEN, RUTHERFORD + KNIGHT, PC EIN: P00482524

6903 ROCKLEDGE DRIVE, SUITE 500 Phone no.: 52-1202280

BETHESDA, MD 20817-1800 301-828-1002

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 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

Name of the organization

MEDICORP HEALTH SYSTEM

Employer identification number

54-1240646

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
SEE STATEMENT 28				
Total number of other employees paid over \$50,000 . . . ▶	165			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the 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
SEE STATEMENT 29		
Total number of others receiving over \$50,000 for professional services ▶	12	

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 individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 30		
Total number of other contractors receiving over \$50,000 for other services ▶	18	

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

Schedule A (Form 990 or 990-EZ) 2007

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, 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 ► \$ <u>36,548.</u> (Must equal amounts on line 38, Part VI-A, or line i 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>	X	
<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 of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?STMT.31</p>	X	
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . SEE 990 PART V. . . .</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<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>		X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	X	
<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 historic structures? If "Yes," attach a detailed statement</p>		X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>		X
<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>		X
<p>b Did the organization make any taxable distributions under section 4966?</p>		X
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>		X
<p>d Enter the total number or 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 rights to provide advice on the distribution or investment of amounts in such funds or accounts ► _____</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 ► _____</p>		

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(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	
MARY WASHINGTON HOSPITAL INC	54-0519577	07	X		61,297.
Total					61,297.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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. NOT APPLICABLE

Table with 5 columns: (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 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 NOT APPLICABLE; b Prepare a list for your records to show the name of and amount contributed by each person; c Total support for section 509(a)(1) test; d Add: Amounts from column (e) for lines 18, 19, 22; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).

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.

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); 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)).

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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 9 of the instructions.)

NOT APPLICABLE

(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?		
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.) ----- ----- -----		
34 a	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 page 11 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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	41		
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			
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		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

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 13 of the instructions.)

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					
Grassroots nontaxable amount					
48 Grassroots ceiling amount (150% of line 48(e))					
49 Grassroots lobbying expenditures					
50 Total 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 13 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:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body	X		36,548.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			36,548.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities. STMT 32

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
(ii) Other assets

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 3 columns: Question ID, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

FORM 990 - GENERAL EXPLANATION ATTACHMENT
 =====

LAND BUILDING AND EQUIPMENT
 PART IV, LINE 57

DESCRIPTION	AMOUNT

EQUIPMENT	\$12,422,689
LEASEHOLD IMPROVEMENT	303,491
BUILDING	44,824
LAND IMPROVEMENTS	3,998

TOTAL	\$12,775,002
LESS ACCUMULATED DEPRECIATION	5,670,868

NET	\$ 7,104,134

FORM 990 - GENERAL EXPLANATION ATTACHMENT
 =====

DEPRECIATION EXPENSE
 PART II

DESCRIPTION -----	AMOUNT -----
LAND IMPROVEMENTS	\$ 400
BUILDING	1,447
LEASEHOLD IMPROVEMENTS	31,955
EQUIPMENT	581,634
AMORTIZATION	20,796

TOTAL	\$ 636,232

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

=====

DESCRIPTION

AMOUNT

FORGIVENESS IC DUE TO FROM
RYAN WHITE GRANT BOOKED

78,834,484.
1,200.

TOTAL

78,835,684.
=====

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

=====

DESCRIPTION	AMOUNT
-----	-----
BOOK LOSS ON INVESTMENTS IN PARTNERSHIP	546,598.
UNREALIZED LOSS	3,695,210.
ADDITIONAL MINIMUM PENSION LIABILITY	13,891,697.
RYAN WHITE GRANT RECEIVED	341,362.
TOBACCO SETTLEMENT GRANT RECEIVED	63,276.
AUDIT ROUNDING	1.

TOTAL	18,538,144.
	=====

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

GRANTS PAID

=====

MARY WASHINGTON HOSPITAL
2300 FALL HILL AVENUE
FREDERICKSBURG, VA 22401

RELATED 501C3

TRANSFER GRANT MONEY

61,297.

SNOWDEN SERVICES

2300 FALL HILL AVENUE
FREDERICKSBURG, VA 22401

RELATED 501C3

TRANSFER GRANT MONEY

196,434.

TOTAL CONTRIBUTIONS PAID

257,731.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL
MINOR EQUIPMENT	253,015.	253,015.	
PHYSICIAN SERVICES	35,000.	35,000.	
MANAGEMENT FEES	515,316.		515,316.
CONSULTING SERVICES	2,767,286.	2,767,286.	
OTHER SERVICES	504,400.	504,400.	
CONTRACT PERSONNEL	94,581.		94,581.
DUES AND SUBSCRIPTIONS	392,836.	392,836.	
ADVERTISING	1,678,969.		1,678,969.
RECRUITMENT	1,321,490.	1,321,490.	
TAXES	4,908.		4,908.
DONATIONS	286,686.	286,686.	
ASSOC PROGRAMS	364,999.	364,999.	
INVEST MANAGER FEES	340,377.		340,377.
CREATIVE DESIGN	606,753.		606,753.
TELECOMMUNICATIONS	294,838.	294,838.	
OTHER	436,239.	436,239.	
BANK FEES	91,428.		91,428.
CONTRACT SERVICE	3,780,342.	3,780,342.	
INSURANCE	152,999.	152,999.	
RENT	2,323,215.	2,323,215.	
EDUCATIONAL PROGRAMS	217,992.	217,992.	
BAD DEBT	57.	57.	
TOTALS	16,463,726.	13,131,394.	3,332,332.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

PROVISION OF HEALTH CARE. MEDICORP HEALTH SYSTEM WAS ORGANIZED TO ACT AS THE PARENT CORPORATION IN THE MEDICORP HEALTH SYSTEM AFFILIATED GROUP, AND TO ENGAGE IN SUCH ACTIVITIES FOR THE BENEFIT OF, TO PERFORM THE FUNCTIONS OF OR TO CARRY OUT THE PURPOSE OF MARY WASHINGTON HOSPITAL AND ITS AFFILIATED ORGANIZATIONS IN THE SYSTEM.

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS

PROGRAM SERVICE ACCOMPLISHMENT A

MEDICORP HEALTH SYSTEM WAS ORGANIZED TO ACT AS THE PARENT CORPORATION IN THE MEDICORP HEALTH SYSTEM AFFILIATED GROUP, AND TO ENGAGE IN SUCH ACTIVITIES FOR THE BENEFIT OF MARY WASHINGTON HOSPITAL, AND ITS AFFILIATED ORGANIZATIONS IN THE HEALTH SYSTEM IN THE PROVISION OF HEALTH CARE. THE MEDICARE SHORTFALL WAS \$26 MILLION IN MEDICARE SERVICES THAT WERE NOT REIMBURSED TO THE HOSPITAL.

FORM 990, PART IV - OTHER NOTES AND LOANS RECEIVABLE

BORROWER: NORTH STAFFORD MEDICAL MALL

BEGINNING BALANCE DUE	2,142,966.
ENDING BALANCE DUE	2,383,071.

BORROWER: TOMPKINS MARTIN MEDICAL PLAZA LP

BEGINNING BALANCE DUE	402,133.
ENDING BALANCE DUE	505,009.

TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE	2,545,099.
--	------------

=====

TOTAL ENDING OTHER NOTES AND LOANS RECEIVABLES	2,888,080.
--	------------

=====

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	ENDING BOOK VALUE
PREPAID EXPENSES	721,185.
TOTALS	721,185.

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
-----	-----	-----
MARKETABLE EQUITY SECURITIES	77,431,043.	FMV
TOTALS	----- 77,431,043. =====	

FORM 990, PART IV - INVESTMENTS - OTHER
=====

DESCRIPTION -----	ENDING BOOK VALUE -----
OTHER INVESTMENTS	327,688.
TOTALS	----- 327,688. =====

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
DUE FROM AFFILIATES	12,768,312.
CSV OF LIFE INSURANCE	1,665,858.
NET GOODWILL	521,611.
INTEREST RECEIVABLE	115,800.
OTHER RECEIVABLE	510,520.
TOTALS	----- 15,582,101. =====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: LTD	
ENDING BALANCE DUE	1,124,140.

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	1,124,140.
	=====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
PENSION	25,948,206.
TOTALS	----- 25,948,206. =====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
REMOVE SUBSIDIARIES INCOME	486,308,924.
BOOK GRANT	1,200.

TOTAL	486,310,124.
	=====

FORM 990, PART IV-A - OTHER REVENUE ON RETURN BUT NOT ON BOOKS

DESCRIPTION	AMOUNT
REALIZED GAIN	4,026,778.
TAX GRANTS	404,638.
AUDIT ROUNDING	1.
TOTAL	4,431,417.

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION -----	AMOUNT -----
REMOVE SUBSIDIARIES EXPENSES	471,344,107.
TOTAL	----- 471,344,107. =====

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS

DESCRIPTION	AMOUNT
GRANTS PAID	257,731.
TOTAL	257,731.

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
HOMER HITE 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VICE CHAIR 4.00	NONE	NONE	NONE
DANIEL HOFFMAN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EX OFFICIO 4.00	NONE	NONE	NONE
JOSEPH WILSON 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	CHAIR 4.00	NONE	NONE	NONE
FRED RANKIN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	PRESIDENT CEO 40.00	658,146.	16,694.	NONE
WALTER KIWALL 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EXEC VP AND COO 40.00	377,518.	16,143.	NONE
J THOMAS RYAN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EXECUTIVE VP AND CMO 40.00	354,923.	16,314.	NONE
LESTER ABERNATHY 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EXECUTIVE VP AND CFO 40.00	363,394.	14,526.	NONE
STEPHEN COOLEY 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP INFORMATION SERVICES 40.00	237,756.	17,506.	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
KATHRYN WALL 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EXEC VP HR ORG DEVELOPMENT 40.00	240,543.	10,406.	NONE
PAUL PREWITT 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP PROPERTIES AMBULATORY SVS 40.00	211,541.	11,354.	NONE
XAVIER RICHARDSON 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EXEC VP CORP DEVELOP COMM AFFR 40.00	236,416.	13,055.	NONE
STEPHEN BROWN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP FINANCIAL PLAN 40.00	213,646.	11,293.	NONE
WINIFRED JINA HAIKEY 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP REG AFFAIRS 40.00	205,750.	11,309.	NONE
RAVI MATHUR 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP FINANCIAL OPER 40.00	303,905.	16,718.	NONE
JOHN ALBERTINE 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
JOHN BURROW 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
PETER CAREY 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
ALLEN FISHER JR 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
JANE INGALLS 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
JAMES LEWIS 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
MICHAEL MCDERMOTT 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
PATRICK MCMANUS 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
DONALD NEWLIN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	SECRETARY TREASURER 4.00	NONE	NONE	NONE
RAYMOND SLAUGHTER 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JOHN FICK III 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
JONATHAN WALLACE 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	BOARD MEMBER 3.00	NONE	NONE	NONE
MARIE FREDRICK 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP PROPERTIES AMBULATORY SVS 40.00	146,723.	7,193.	NONE
AMY ADOME 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	VP QUALITY 40.00	93,897.	2,689.	NONE
SEAN BARDEN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	EXECUTIVE VP AND CFO 40.00	10,586.	1.	NONE
GRAND TOTALS		3,654,744.	165,201.	NONE

FORM 990, PART V-B - FORMER OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	LOANS AND ADVANCES	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ROBERT LIVELY 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	NONE	206,548.	18,893.	NONE
GRAND TOTALS	NONE	206,548.	18,893.	NONE

GRAND TOTALS

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

=====

RELATED ORGANIZATION NAME: MARY WASHINGTON HOSPITAL

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: MARY WASHINGTON HOSPITAL FOUNDATION

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: MEDICORP HEALTH SERVICES INC

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: MEDICORP PROPERTIES INC

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: SNOWDEN SERVICES INC

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: MEDICORP SERVICES INC

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: PINNACLE HEALTH CORPORATION

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: FREDERICKSBURG PROFESSIONAL RISK EXCHANGE

EXEMPT: NONEXEMPT: X

RELATED ORGANIZATION NAME: MEDICORP AT STAFFORD

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: STAFFORD HOSPITAL CENTER FOUNDATION

EXEMPT: X NONEXEMPT:

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

=====

LINE NO. ---	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES -----
--------------------	---

93	<p>MEDICORP HEALTH SYSTEM FUNCTIONS AS THE PARENT CORPORATION IN THE MEDICORP HEALTH SYSTEM AFFILIATED GROUP AND AS SUCH ENGAGES IN ACTIVITIES THAT EXCLUSIVELY PROVIDE SUPPORTING SERVICES TO ALL ENTITIES WITHIN THE HEALTH SYSTEM INCLUDING MARY WASHINGTON HOSPITAL. MANAGEMENT AND PERSONNEL SERVICE REVENUE REPRESENTS CHARGES FROM THE PERFORMANCE OF THESE SERVICES FOR ITS AFFILIATED ORGANIZATIONS. INFORMATION SERVICE TO THE PUBLIC ABOUT COMMUNITY PHYSICIANS AND THEIR SPECIALTIES THROUGH HEALTH LINK. ASSOCIATE ASSISTANCE PROGRAMS INCLUDE THOSE PROGRAMS THAT HELP MEET SPECIFIC NEEDS WITHIN THE COMMUNITY. THESE PROGRAMS INCLUDE CHARITY GIVEN BY ASSOCIATES FOR SPECIFIC CAUSES AS WELL AS THE NUMEROUS SERVICES PROVIDED BY VOLUNTEERS.</p>
----	--

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER	PERCENTAGE OWNERSHIP INTEREST	NATURE OF BUSINESS ACTIVITIES	TOTAL INCOME	ENDING ASSETS
MEDICORP SERVICES INC 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401 54-1244509	100.000000	MEDICAL SERVICES	9,036,589.	2,656,451.
PINNACLE HEALTH 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401 31-1636492	50.000000	MEDICAL SERVICES	439,955.	274,767.
FREDERICKSBURG PRORISK 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401 33-1095356	100.000000	INSURANCE	5,482,034.	20,157,534.

TOTAL INCOME

14,958,578. 23,088,752.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
WILLIAM HAIRE 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	DIR MD SERVICES 40.00	164,939.	10,308.	NONE
PHILLIP BORDERS 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	DIR INTERNAL AUDIT 40.00	161,847.	11,004.	NONE
PHILIP BROWN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	DIRCTOR PLANNING 40.00	151,042.	15,771.	NONE
ROBERT JENSEN 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	DIRECTOR, HUMAN RES 40.00	134,597.	22,639.	NONE
HALL CHESHIRE 2300 FALL HILL AVENUE FREDERICKSBURG, VA 22401	DIR INFO SERVICES 40.00	133,670.	11,924.	NONE
TOTAL COMPENSATION		746,095.	71,646.	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
BERNARD HODES GROUP PO BOX 751741 CHARLOTTE, NC 28275	RECRUITMENT	1,337,734.
TO MARKET 101 SHOCKOE SLIP RICHMOND, VA 23219	PUBLIC RELATIONS	1,320,371.
RCM&D INC 555 FAIRMOUNT AVE BALTIMORE, MD 21286	INSURANCE	1,025,571.
HANCOCK DANIEL JOHNSON AND NAGEL PO BOX 72050 RICHMOND, VA 23255	LEGAL SERVICES	882,617.
MERCER PO BOX 905234 CHARLOTTE, NC 28290	HR CONSULTING	620,060.
TOTAL COMPENSATION		----- 5,186,353. =====

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

=====

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
WHITING-TURNER CONTRACTING CO PO BOX 17596 BALTIMORE, MD 21297	CONSTRUCTION	41,658,272.
SODEXHO INC AND AFFILIATES PO BOX 536922 ATLANTA, GA 30353	FOOD AND ENV SERVICE	3,590,765.
SIEMENS HEALTH SERVICES 701 MARKET ST PHILADELPHIA, PA 19106	MEDICAL SERVICES	3,185,269.
HEALTHCARE TEXTILE SERVICE 7969 WELLINGFORD DR MANASSAS, VA 20109	LINENS UNIFORMS	1,599,977.
CISCO SYSTEMS CAPITAL PO BOX 41601 PHILADELPHIA, PA 19101	IS SERVICES	1,343,572.
TOTAL COMPENSATION		----- 51,377,855. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

=====

G WILLIAM BEALE IS THE PRESIDENT OF UNION BANK & TRUST. MEDICORP DOES SOME BUSINESS TRANSACTIONS WITH THIS BANK. DANIEL HOFFMAN IS THE MEDICAL STAFF PRESIDENT OF MARY WASHINGTON HOSPITAL. JOSEPH WILSON OWNS PERMATREAT MEDICORP DOES BUSINESS WITH PERMATREAT, A PEST CONTROL COMPANY.

SCHEDULE A, PART VI-B - LOBBYING ACTIVITY EXPLANATION

=====

LOBBIED THE VIRGINIA HOUSE OF DELEGATES ON BILLS AFFECTING AND DIRECTLY
RELATED TO THE HEALTH CARE INDUSTRY.

Capital Gains and Losses

2007

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

Name of estate or trust MEDICORP HEALTH SYSTEM	Employer identification number 54-1240646
--	---

Note: Form 5227 filers need to complete *only* Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2006 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back. ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b.	6b	3,971,532.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2006 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back. ▶	12	3,971,532.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Part III Summary of Parts I and II Caution: Read the instructions before completing this part.		(1) Beneficiaries' (see page 41)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		
14	Net long-term gain or (loss):			
a	Total for year	14a		3,971,532.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		3,971,532.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of:

a The loss on line 15, column (3) or b \$3,000.	16 ()
---	---------------

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 42 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 43 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 43 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20	Add lines 18 and 19	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶	21		
22	Subtract line 21 from line 20. If zero or less, enter -0-	22		
23	Subtract line 22 from line 17. If zero or less, enter -0-	23		
24	Enter the smaller of the amount on line 17 or \$2,150	24		
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 through 27; go to line 28 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25		
26	Subtract line 25 from line 24	26		
27	Multiply line 26 by 5% (.05)	27		
28	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 28 thru 31; go to line 32. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	28		
29	Enter the amount from line 26 (If line 26 is blank, enter -0-)	29		
30	Subtract line 29 from line 28	30		
31	Multiply line 30 by 15% (.15)	31		
32	Figure the tax on the amount on line 23. Use the 2007 Tax Rate Schedule on page 27 of the instructions	32		
33	Add lines 27, 31, and 32	33		
34	Figure the tax on the amount on line 17. Use the 2007 Tax Rate Schedule on page 27 of the instructions	34		
35	Tax on all taxable income. Enter the smaller of line 33 or line 34 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T)	35		

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

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return MEDICORP HEALTH SYSTEM	Identifying number 54-1240646
---	--------------------------------------

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) **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)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						
3 Gain, if any, from Form 4684, line 39						3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6 Gain, if any, from line 32, from other than casualty or theft						6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:						7
Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.						
8 Nonrecaptured net section 1231 losses from prior years (see instructions)						8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)						9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):						
SEE STATEMENT 1						55,246.
11 Loss, if any, from line 7						11 ()
12 Gain, if any, from line 7 or amount from line 8, if applicable						12
13 Gain, if any, from line 31						13
14 Net gain or (loss) from Form 4684, lines 31 and 38a						14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36						15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824						16
17 Combine lines 10 through 16						17 55,246.
18 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. For individual returns, complete lines a and b below:						
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions						18a
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14						18b

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 Section 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	

