

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

SECTION 1. # 5 - 501(c)3 FORM
DEPARTMENT OF THE TREASURY

Date:

MAY 14 2012

FORTWOOD CENTER INC
6049 SHALLOWFORD RD
CHATTANOOGA, TN 37421

Employer Identification Number:
62-0565399

DLN:
17053010345012

Contact Person:
ERIC KAYE

Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
June 30

Public Charity Status:
170(b)(1)(A)(iii)

Form 990 Required:
Yes

Effective Date of Exemption:
November 15, 2010

Contribution Deductibility:
Yes

Addendum Applies:
No

ID# 31612

OFFICE OF THE
PRESIDENT / CEO

MAY 18 2012

RECEIVED

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

FORTWOOD CENTER INC

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC

FISCAL YEAR 2012

ANNUAL REPORT SUMMARY

SERVICE STATISTICS:

- ❖ Served over 3100 Adults and Children.
Children & Adolescents – 1035
Adults – 2131
- ❖ Increased number of unduplicated clients seen by 5% over Fiscal Year 2011.
- ❖ Provided over 30,200 Outpatient Services, averaging 2500 services per month.
- ❖ Increased Residential bed days by almost 20% with 9392 days compared to 7857 in Fiscal Year 2011.
- ❖ Admitted 897 New Clients.
- ❖ New Client Admission increased 13% over Fiscal Year 2011.

ACCOMPLISHMENTS:

- ❖ Implemented an Electronic Health Record system certified for Meaningful Use by the Centers for Medicare and Medicaid with federal technology funding.
- ❖ Contracted with Genoa Healthcare for an on-site pharmacy to be located at our Adult Services Facility at no cost to Fortwood Center. Pharmacy opened November 2012.

**BOARD OF DIRECTORS
2012 - 2013**

OFFICERS

		Yrs served
Ross I Schram, III, Board Chair Baker Donelson Attys 1800 Republic Centre 633 Chestnut Street Chattanooga, Tennessee 37450	Bus: 209-4285 Fax: 752-9592 email: rschram@bakerdonelson.com	3 1/2
Mark D. Neighbors, Vice Chair & Treasurer One Union Square - Suite 700 Chattanooga, Tennessee 37402	Bus: 756-6585 Fax: 755-0762 email: mneighbors@lbmc.com	6 1/2
Virginia Love, Secretary Baker Donelson Attys 1800 Republic Centre 633 Chestnut Street Chattanooga, Tennessee 37450	Bus: 209-1448 Fax: email: vlove@bdbc.com	3 1/2
Keith Sanford, Past Chair First Tennessee Bank 701 Market Street Chattanooga, Tennessee 37402	Bus: 757-4465 Fax: 757-4408 email: wksanford@ftb.com	5 1/2

DIRECTORS

Bruce Baird 735 Broad Street Chattanooga, Tennessee 37402	Bus: 265-8821 Fax: 756-3610 email: bruce@brucebairdclothier.com	7 1/2
Cathy Barrett Unum One fountain Square Chattanooga, Tennessee 37402	Bus: 294-7579 Fax: 294-1883 email: cbarrett@unum.com	3 1/2
David Barrett CapitalMark Bank & Trust 801 Broad Street, First Floor Chattanooga, Tennessee 37402	Bus: 386-2286 fax: 756-2578 email: david_barrett@comcast.net cell: 322-3405	1 1/2
Brenda L. Benford Hamilton County Department of Education 3074 Hickory Valley Road Chattanooga, Tennessee 37421	Bus: 209-8563 Fax: 209-8564 email: benford_b@hcde.org	3 1/2

Fortwood Center, Inc.
Board of Directors
Page 2

Debbie Brown
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Fax
email: debbie.brown@morgankeegan.com

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Cleveland, Tennessee 37311

Home: 339-2661 2 1/2
Fax
email jimandde@gmail.com

Ray Fox
706 Wildflower Lane
Chattanooga, Tennessee 37419

Bus 821-5897 6 1/2
Fax served 7 yrs
email: rayandbettyfox@comcast.net previously

Brennan Francois
Parkridge/Valley Hospital
2200 Morris Hill Road
Chattanooga, Tennessee 37421

Bus 499-1204 3 1/2
Fax 499-2320
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Anne G. Henniss
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Mai Bell Hurley
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served 9 yrs
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Ann Richey
4 Brooks Edge Lane
Signal Mountain, Tennessee 37377

Home: 886-1064 6 1/2
Fax 886-1064
email arichey750@aol.com

Contact Information for Corporate Minutes:

*Earl Medley, President/CEO
Fortwood Center, Inc.
6049 Shallowford Road
Chattanooga, Tennessee 37421*

*Ph: (423) 266-6751
Email Address: emedley@forwoodcenter.org*

Section II: City Council Questionnaire

1. What other Chattanooga organizations have a mission similar to yours?

Fortwood is the primary community mental health center serving the City of Chattanooga, the Inner City, St. Elmo, Tyner, Orchard Knob, East Lake, Brainerd and East Brainerd area with city funding. We are the largest provider of outpatient services for children and adolescents in the area.

The other community mental health center serving the area is Joe Johnson Mental Health Center; however, we do not duplicate services to the same clients. Their office is located in North Chattanooga and they are a primary resource for Hixson, North Chattanooga, Red Bank, Signal Mountain and Soddy Daisy.

2. What does your organizations do, supply, or perform that no other organization in Chattanooga addresses?

Since its beginning in 1946 Fortwood Center has been providing mental health services to the City of Chattanooga. We have the largest outpatient service for Children & Adolescents located in the City without regard to the family's ability to pay for service. Nearly 80% of our clientele is from the City and a high percentage of children and adults receiving outpatient treatment and case management reside in the Inner City. We also provide residential care for adults from six residential facilities located in the city.

3. What is your fiscal year? **July 1 – June 30**
4. List the previous years you have submitted requests to the City of Chattanooga, the amount of the requests, and the amounts granted?

*FY-2012 requested \$208,075, received \$105,000
FY 2013 requested \$105,000, received \$55,000*

5. Describe your debt and expenses in ratio to revenue.
Our FY 2014 budget is based on a balanced budget. Our only debt is \$60,688 on one office building.
6. List any debt over \$10,000 and when that debt will be satisfied.
Mortgage on Adult Services location is currently \$60,688 and will be satisfied 12/2013.
7. What percentage of your budget is dedicated to salaries vs. percentage of budget dedicated to client programs or benefits?

Twenty-three % of our budget total is for General and Administrative expenses including salary, while the remaining 77% of the total budget is directed specifically at client programs.

8. What cost savings initiatives did your organization undertake during the preceding year?

Audited financial statements indicate we reduced personnel costs by 15% in FY-2012 from FY 2011 yet we increased the number of clients served by 5%.

9. List travel expenses over the last three years and how the travel benefited your organization.

Travel expenses consist of two major categories; (1) in-town mileage reimbursement for community based service providers at approved state rates, and (2) out of town costs for conferences and meetings. At any given time we have between 23 and 25 case managers assigned to provide home visits to both adult and children and adolescents in their homes and schools. Out of town travel is limited to trainings and meetings required from our membership in state and national associations for community mental health centers where information is shared to improve and direct the future of our business.

<u>Fiscal Year</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i>In-Town Mileage</i>	\$ 49,946	\$ 44,705	\$ 54,154
<i>Out of Town Travel</i>	\$ 5,487	\$ 7,790	\$ 2,861

10. If you are a membership-based organization: **No**

- a. What is fee structure?
- b. When have you increased membership fees?
- c. What is your plan for growing membership?
- d. What are your membership numbers from the last three years?

11. Do your clients pay anything for your services, products, programs? If so, explain.

Insured clients are responsible for any deductible or co-insurance amounts determined by their insurer. Uninsured clients are placed on a sliding fee scale based on the income and dependents in the household. The Federal Poverty level is used to determine the scale, with no one under the poverty level charged any fee.

12. What is your strategic plan to become independent of City funding?

As long as we offer services to the uninsured and underinsured as part of our mission we will need community assistance to help cover the cost of this care. City funding is also needed for specialized services not covered by TennCare such as anger management courses for children & adolescents. The National Health Plan may help to reduce the amount of funding needed from the city after it is implemented in FY 2015.