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Form 990

Department of the Treasury  
Internal Revenue Service

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)

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Doing Business As

METHODIST REHABILITATION CENTER

Number and street (or P O box if mail is not delivered to street address)

1350 EAST WOODROW WILSON

Room/suite

City or town, state or country, and ZIP + 4

JACKSON, MS 39216

F Name and address of principal officer

MARK ADAMS

1350 EAST WOODROW WILSON

JACKSON, MS 39216

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) ( ) ☐ (insert no ) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW MMRCREHAB ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1969

M State of legal domicile

MS

| Part I Summary              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                                                            |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------|
| Activities & Governance     | <div><div>1</div><div>Briefly describe the organization’s mission or most significant activities</div><div>MISSISSIPPI METHODIST REHABILITATION CENTER PROVIDES COMPREHENSIVE MEDICAL REHABILITATION SERVICES TO HELP PEOPLE RECOVER ABILITIES AND QUALITY OF LIFE AFTER A STROKE, SPINAL CORD INJURY, TRAUMATIC BRAIN INJURY, NEUROLOGICAL DISEASE OR ORTHOPEDIC DISORDER SINCE 1975, METHODIST REHAB HAS TREATED MORE THAN 1,000 PERSONS PER YEAR IN ITS STATE-OF-THE-ART INPATIENT REHABILITATION HOSPITAL, AND TENS OF THOUSANDS PER YEAR IN OUTPATIENT CARE FACILITIES THE CENTER ALSO PROVIDES HOUSING FOR SEVERELY DISABLED PERSONS, AND A HOST OF SUPPORT SERVICES TO ADDRESS THE LIFELONG NEEDS OF DISABLED CITIZENS IT IS THE ONLY REHABILITATION CENTER IN THE STATE AND REGION THAT PROVIDES THIS COMPREHENSIVE LEVEL OF REHABILITATION CARE</div></div> |                          |                                                                                            |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                                                            |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                                                            |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                                                            |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                                                            |
| Revenue                     | <div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                          |                                                                                            |
|                             | <div><div>3</div><div>Number of voting members of the governing body (Part VI, line 1a)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <div><div>3</div></div>  | <div>18</div>                                                                              |
|                             | <div><div>4</div><div>Number of independent voting members of the governing body (Part VI, line 1b)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <div><div>4</div></div>  | <div>17</div>                                                                              |
|                             | <div><div>5</div><div>Total number of individuals employed in calendar year 2010 (Part V, line 2a)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <div><div>5</div></div>  | <div>739</div>                                                                             |
|                             | <div><div>6</div><div>Total number of volunteers (estimate if necessary)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <div><div>6</div></div>  | <div>171</div>                                                                             |
|                             | <div><div>7a</div><div>Total unrelated business revenue from Part VIII, column (C), line 12</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <div><div>7a</div></div> | <div>0</div>                                                                               |
|                             | <div><div>7b</div><div>Net unrelated business taxable income from Form 990-T, line 34</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <div><div>7b</div></div> | <div>0</div>                                                                               |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          |                                                                                            |
| Expenses                    | <div><div>8</div><div>Contributions and grants (Part VIII, line 1h)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          | <div><div>Prior Year</div><div>96,363</div><div>Current Year</div><div>795,999</div></div> |
|                             | <div><div>9</div><div>Program service revenue (Part VIII, line 2g)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          | <div><div>54,719,526</div><div>44,678,518</div></div>                                      |
|                             | <div><div>10</div><div>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                          | <div><div>333,579</div><div>684,855</div></div>                                            |
|                             | <div><div>11</div><div>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          | <div><div>4,536,749</div><div>7,991,871</div></div>                                        |
|                             | <div><div>12</div><div>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          | <div><div>59,686,217</div><div>54,151,243</div></div>                                      |
|                             | <div><div>13</div><div>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                          | <div><div>57,265</div><div>36,694</div></div>                                              |
|                             | <div><div>14</div><div>Benefits paid to or for members (Part IX, column (A), line 4)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                          | <div><div>0</div><div>0</div></div>                                                        |
|                             | <div><div>15</div><div>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          | <div><div>32,049,602</div><div>32,586,034</div></div>                                      |
| Net Assets or Fund Balances | <div><div>16a</div><div>Professional fundraising fees (Part IX, column (A), line 11e)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          | <div><div>0</div><div>0</div></div>                                                        |
|                             | <div><div>b</div><div>Total fundraising expenses (Part IX, column (D), line 25)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          | <div><div>0</div><div></div></div>                                                         |
|                             | <div><div>17</div><div>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          | <div><div>19,365,363</div><div>17,166,201</div></div>                                      |
|                             | <div><div>18</div><div>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          | <div><div>51,472,230</div><div>49,788,929</div></div>                                      |
|                             | <div><div>19</div><div>Revenue less expenses Subtract line 18 from line 12</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          | <div><div>8,213,987</div><div>4,362,314</div></div>                                        |
|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          | <div><div>Beginning of Current Year</div><div>End of Year</div></div>                      |
|                             | <div><div>20</div><div>Total assets (Part X, line 16)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          | <div><div>75,319,895</div><div>79,839,829</div></div>                                      |
|                             | <div><div>21</div><div>Total liabilities (Part X, line 26)</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          | <div><div>15,416,415</div><div>13,753,832</div></div>                                      |
|                             | <div><div>22</div><div>Net assets or fund balances Subtract line 21 from line 20</div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                          | <div><div>59,903,480</div><div>66,085,997</div></div>                                      |

Part II Signature Block

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.

Sign Here

Signature of officer

MARK ADAMS PRESIDENT/CEO

Date

2012-05-11

Paid Preparer Use Only

Prnt/Type preparer's name

MARSHA H DIECKMAN CPA

Preparer's signature

MARSHA H DIECKMAN CPA

Date

2012-05-10

Check if self-employed

☐

PTIN

Firm's name

HORNE LLP

Firm's EIN

Firm's address

1020 HIGHLAND COLONY PKWY STE 400 RIDGELAND, MS 39157

Phone no

(601) 326-1000

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization's mission

IN RESPONSE TO THE LOVE OF GOD, THE METHODIST REHABILITATION CENTER, IS DEDICATED TO THE RESTORATION & ENHANCEMENT OF THE LIVES OF THOSE WE SERVE WE ARE COMMITTED TO EXCELLENCE & LEADERSHIP IN THE DELIVERY OF COMPREHENSIVE REHABILITATION SERVICES WITH THE PATIENT ALWAYS AS THE FOCAL POINT & IN AN ATMOSPHERE OF COMPASSIONATE CARE, WE WILL -PROVIDE OPPORTUNITIES FOR GROWTH IN KNOWLEDGE, SKILLS & CAPABILITIES TO BETTER SERVE OUR PATIENTS & THEIR FAMILIES AND TO ENHANCE THE REHABILITATIVE HEALTH CARE OF OUR STAFF, -DEVELOP CREATIVE & INNOVATIVE METHODS OF PATIENT CARE, SKILLS & TECHNIQUES, -FOSTER A CLIMATE OF SCIENTIFIC INQUIRY THAT PROMOTES RESEARCH IN ALL ASPECTS OF REHABILITATION, -OFFER EDUCATIONAL & PROFESSIONAL PROGRAMS & SHARE REHABILITATION INFORMATION WITH THE COMMUNITY, -RENDER SERVICES THAT ARE EFFECTIVE & COST EFFICIENT, IN A MANNER THAT RESPECTS THE PERSONAL WORTH & DIGNITY OF EACH PERSON WE SERVE, &-PROVIDE COMPREHENSIVE REHABILITATION CARE

2

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

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ 16,554,276 including grants of \$ ) (Revenue \$ 18,219,551 )

ROUTINE SERVICES - HEALTH CARE - REVENUE RELATED TO INPATIENT BED COST INCLUDING NURSING AND CARE RELATED COST TO PROPERLY ADHERE TO OUR PATIENT HOUSING NEEDS

4b

(Code ) (Expenses \$ 14,783,659 including grants of \$ ) (Revenue \$ 26,458,967 )

ANCILLARY SERVICES - REVENUE RELATED TO SUPPORT THE MEDICAL STAFF TO DIAGNOSE AND PROVIDE PROCEDURES ORDERED BY MEDICAL STAFF, SUCH AS RADIOLOGY SERVICES, PHARMACY SERVICES AND OUTPATIENT SERVICES JUST TO NAME A FEW

4c

(Code ) (Expenses \$ 5,670,227 including grants of \$ ) (Revenue \$ 7,729,155 )

ADMINISTRATIVE EXPENSES RELATING TO (A) AND (B)

4d

Other program services (Describe in Schedule O ) See also Additional Data for Description

(Expenses \$ 3,877,762 including grants of \$ ) (Revenue \$ )

4e

Total program service expenses \$ 40,885,924

Part IV

Checklist of Required Schedules

|                                                                                                                                                                                                                                                                                                                                         | Yes     | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A                                                                                                                    | 1 Yes   |    |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?                                                                                                                                                   | 2 Yes   |    |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I                                                                 | 3       | No |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II                                                  | 4 Yes   |    |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III                           | 5       | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I   | 6       | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II                                      | 7       | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III                                                                                                    | 8       | No |
| 9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV  | 9       | No |
| 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V                                                                                        | 10      | No |
| 11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable                                                                                                                                                                                       |         |    |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.                                                                                                                 | 11a Yes |    |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.                                            | 11b Yes |    |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.                                            | 11c     | No |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.                                                              | 11d Yes |    |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.                                                                                                                           | 11e Yes |    |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.    | 11f Yes |    |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII                                                                                          | 12a     | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional              | 12b Yes |    |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E                                                                                                                                                                                                                                    | 13      | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .                                                                                                                                                                                                                               | 14a     | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV . . . . .                                                                                             | 14b     | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV . . . . .                                                                                                               | 15      | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV . . . . .                                                                                                                   | 16      | No |
| 17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)                                                                                                                       | 17      | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .                                                                                                                                             | 18      | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .                                                                                                                                                                       | 19      | No |
| 20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H . . . . .                                                                                                                                                    | 20a Yes |    |
| b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)                                                                                                    | 20b Yes |    |

Part IV

Checklist of Required Schedules (continued)

|     |                                                                                                                                                                                                                                                                                        |     |     |    |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----|
| 21  | Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .                                                      | 21  | Yes |    |
| 22  | Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .                                                                       | 22  |     | No |
| 23  | Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .            | 23  | Yes |    |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . . | 24a | Yes |    |
| b   | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .                                                                                                                                                                              | 24b |     | No |
| c   | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .                                                                                                                                   | 24c |     | No |
| d   | Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .                                                                                                                                                                        | 24d | Yes |    |
| 25a | <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .                                                                  | 25a |     | No |
| b   | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .   | 25b |     | No |
| 26  | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .                                | 26  | Yes |    |
| 27  | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .        | 27  |     | No |
| 28  | Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)                                                                                          |     |     |    |
| a   | A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                                               | 28a |     | No |
| b   | A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                                                                                                            | 28b |     | No |
| c   | An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .                                                | 28c | Yes |    |
| 29  | Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                                                                                              | 29  |     | No |
| 30  | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .                                                                                              | 30  |     | No |
| 31  | Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .                                                                                                                                                    | 31  |     | No |
| 32  | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .                                                                                                                                  | 32  |     | No |
| 33  | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .                                                                                  | 33  | Yes |    |
| 34  | Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .                                                                                                                                     | 34  | Yes |    |
| 35  | Is any related organization a controlled entity within the meaning of section 512(b)(13)? . . . . .                                                                                                                                                                                    | 35  | Yes |    |
| a   | Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                           |     |     |    |
| 36  | <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .                                                                                       | 36  |     | No |
| 37  | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .                                         | 37  |     | No |
| 38  | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .                                                                                           | 38  | Yes |    |

|                                                                                                 |                                                                                                                                                                                                                                                                              |            |           |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| <b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>                  |                                                                                                                                                                                                                                                                              |            |           |
| Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/> |                                                                                                                                                                                                                                                                              |            |           |
|                                                                                                 |                                                                                                                                                                                                                                                                              | <b>Yes</b> | <b>No</b> |
| <b>1a</b>                                                                                       | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.                                                                                                                                                                                                | <b>1a</b>  | 72        |
| <b>b</b>                                                                                        | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.                                                                                                                                                                                             | <b>1b</b>  | 0         |
| <b>c</b>                                                                                        | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?                                                                                                                     | <b>1c</b>  | Yes       |
| <b>2a</b>                                                                                       | Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.                                                                                         | <b>2a</b>  | 739       |
| <b>b</b>                                                                                        | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).                                      | <b>2b</b>  | Yes       |
| <b>3a</b>                                                                                       | Did the organization have unrelated business gross income of \$1,000 or more during the year?                                                                                                                                                                                | <b>3a</b>  | No        |
| <b>b</b>                                                                                        | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.                                                                                                                                                                            | <b>3b</b>  |           |
| <b>4a</b>                                                                                       | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                                   | <b>4a</b>  | No        |
| <b>b</b>                                                                                        | If "Yes," enter the name of the foreign country: _____<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.                                                                                                     |            |           |
| <b>5a</b>                                                                                       | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?                                                                                                                                                                        | <b>5a</b>  | No        |
| <b>b</b>                                                                                        | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?                                                                                                                                                             | <b>5b</b>  | No        |
| <b>c</b>                                                                                        | If "Yes" to line 5a or 5b, did the organization file Form 8886-T?                                                                                                                                                                                                            | <b>5c</b>  |           |
| <b>6a</b>                                                                                       | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?                                                                                                  | <b>6a</b>  | No        |
| <b>b</b>                                                                                        | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?                                                                                                                                | <b>6b</b>  |           |
| <b>7</b>                                                                                        | <b>Organizations that may receive deductible contributions under section 170(c).</b>                                                                                                                                                                                         |            |           |
| <b>a</b>                                                                                        | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?                                                                                                                              | <b>7a</b>  | No        |
| <b>b</b>                                                                                        | If "Yes," did the organization notify the donor of the value of the goods or services provided?                                                                                                                                                                              | <b>7b</b>  |           |
| <b>c</b>                                                                                        | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?                                                                                                                                         | <b>7c</b>  | No        |
| <b>d</b>                                                                                        | If "Yes," indicate the number of Forms 8282 filed during the year.                                                                                                                                                                                                           | <b>7d</b>  |           |
| <b>e</b>                                                                                        | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?                                                                                                                                                              | <b>7e</b>  | No        |
| <b>f</b>                                                                                        | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?                                                                                                                                                                 | <b>7f</b>  |           |
| <b>g</b>                                                                                        | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?                                                                                                                                             | <b>7g</b>  |           |
| <b>h</b>                                                                                        | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?                                                                                                                                           | <b>7h</b>  |           |
| <b>8</b>                                                                                        | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | <b>8</b>   |           |
| <b>9</b>                                                                                        | <b>Sponsoring organizations maintaining donor advised funds.</b>                                                                                                                                                                                                             |            |           |
| <b>a</b>                                                                                        | Did the organization make any taxable distributions under section 4966?                                                                                                                                                                                                      | <b>9a</b>  |           |
| <b>b</b>                                                                                        | Did the organization make a distribution to a donor, donor advisor, or related person?                                                                                                                                                                                       | <b>9b</b>  |           |
| <b>10</b>                                                                                       | <b>Section 501(c)(7) organizations.</b> Enter:                                                                                                                                                                                                                               |            |           |
| <b>a</b>                                                                                        | Initiation fees and capital contributions included on Part VIII, line 12.                                                                                                                                                                                                    | <b>10a</b> |           |
| <b>b</b>                                                                                        | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.                                                                                                                                                                                 | <b>10b</b> |           |
| <b>11</b>                                                                                       | <b>Section 501(c)(12) organizations.</b> Enter:                                                                                                                                                                                                                              |            |           |
| <b>a</b>                                                                                        | Gross income from members or shareholders.                                                                                                                                                                                                                                   | <b>11a</b> |           |
| <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).                                                                                                                                                 | <b>11b</b> |           |
| <b>12a</b>                                                                                      | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?                                                                                                                                                            | <b>12a</b> |           |
| <b>b</b>                                                                                        | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.                                                                                                                                                                                       | <b>12b</b> |           |
| <b>13</b>                                                                                       | <b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>                                                                                                                                                                                                      |            |           |
| <b>a</b>                                                                                        | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.                                                                             | <b>13a</b> |           |
| <b>b</b>                                                                                        | Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.                                                                                                                   | <b>13b</b> |           |
| <b>c</b>                                                                                        | Enter the amount of reserves on hand.                                                                                                                                                                                                                                        | <b>13c</b> |           |
| <b>14a</b>                                                                                      | Did the organization receive any payments for indoor tanning services during the tax year?                                                                                                                                                                                   | <b>14a</b> | No        |
| <b>b</b>                                                                                        | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.                                                                                                                                                                   | <b>14b</b> |           |

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

|    |                                                                                                                                                                                                                     |     |    |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
|    |                                                                                                                                                                                                                     | Yes | No |
| 1a | Enter the number of voting members of the governing body at the end of the tax year                                                                                                                                 |     |    |
| 1b | Enter the number of voting members included in line 1a, above, who are independent                                                                                                                                  |     |    |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?                                               |     | No |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? |     | No |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?                                                                                                    |     | No |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets?                                                                                                          |     | No |
| 6  | Does the organization have members or stockholders?                                                                                                                                                                 |     | No |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?                                                                                         |     | No |
| 7b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons?                                                                                                             |     | No |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following                                                                                    |     |    |
| 8a | The governing body?                                                                                                                                                                                                 | Yes |    |
| 8b | Each committee with authority to act on behalf of the governing body?                                                                                                                                               | Yes |    |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O        |     | No |

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

|     |                                                                                                                                                                                                                                                                                                |     |    |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
|     |                                                                                                                                                                                                                                                                                                | Yes | No |
| 10a | Does the organization have local chapters, branches, or affiliates?                                                                                                                                                                                                                            |     | No |
| 10b | If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?                                                                             |     |    |
| 11a | Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?                                                                                                                                                                             |     | No |
| 11b | Describe in Schedule O the process, if any, used by the organization to review this Form 990                                                                                                                                                                                                   |     |    |
| 12a | Does the organization have a written conflict of interest policy? If "No," go to line 13                                                                                                                                                                                                       | Yes |    |
| 12b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?                                                                                                                                                              |     | No |
| 12c | Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done                                                                                                                                             | Yes |    |
| 13  | Does the organization have a written whistleblower policy?                                                                                                                                                                                                                                     | Yes |    |
| 14  | Does the organization have a written document retention and destruction policy?                                                                                                                                                                                                                | Yes |    |
| 15  | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?                                                                           |     |    |
| 15a | The organization's CEO, Executive Director, or top management official                                                                                                                                                                                                                         | Yes |    |
| 15b | Other officers or key employees of the organization                                                                                                                                                                                                                                            | Yes |    |
| 15c | If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)                                                                                                                                                                                                             |     |    |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?                                                                                                                                          |     | No |
| 16b | If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? |     |    |

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.  
GARY ARMSTRONG EVPCFO  
1350 EAST WOODROW WILSON DRIVE  
JACKSON, MS 39216  
(601) 364-3360

Check if Schedule O contains a response to any question in this Part VII ☐ ☒

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

[illegible]



## Part VII

| (A)<br>Name and Title                                          | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                                                |                                                                                        | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| See Additional Data Table                                      |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
|                                                                |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
| <b>1b Sub-Total</b>                                            |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
| <b>c Total from continuation sheets to Part VII, Section A</b> |                                                                                        |                                        |                       |         |              |                              |        |                                                                      |                                                                           |                                                                                               |
| <b>d Total (add lines 1b and 1c)</b>                           |                                                                                        |                                        |                       |         |              |                              |        | 2,719,914                                                            | 0                                                                         | 159,343                                                                                       |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization: 24

|   |                                                                                                                                                                                                                                               | Yes | No  |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| 3 | Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .                                        | 3   | No  |
| 4 | For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . . | 4   | Yes |
| 5 | Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .                       | 5   | No  |

## **Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

| (A)                                                                        | (B)                      | (C)          |
|----------------------------------------------------------------------------|--------------------------|--------------|
| Name and business address                                                  | Description of services  | Compensation |
| MID-STATE CONSTRUCTION CO<br>300 BRIARWOOD WEST DRIVE<br>JACKSON, MS 39206 | CONSTRUCTION             | 2,024,057    |
| FOX-EVERETT<br>PO BOX 188<br>JACKSON, MS 39205                             | INSURANCE AGENT          | 1,029,038    |
| CARDINAL HEALTH<br>21377 NETWORK PL<br>CHICAGO, IL 60673                   | PHARMACY SERVICES        | 222,758      |
| CANIZARO CAWTHON DAVIS<br>129 S PRESIDENT STREET<br>JACKSON, MS 39201      | ARCHITECTS SERVICES      | 206,672      |
| MMI DINING SYSTEMS INC<br>1000 RED FERN PLACE<br>FLOWOOD, MS 39232         | CAFE MANAGEMENT SERVICES | 205,797      |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶14

Part VIII

Statement of Revenue

|                                                           |                                           |                                                                                                                                         | (A)<br>Total revenue                                                                     | (B)<br>Related<br>or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded<br>from<br>tax<br>under<br>sections<br><br>512,<br>513, or<br>514 |         |         |
|-----------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------|---------|---------|
| Contributions, gifts, grants<br>and other similar amounts | 1a                                        | Federated campaigns . . . . .                                                                                                           | 1a                                                                                       |                                                       |                                         |                                                                                              |         |         |
|                                                           | b                                         | Membership dues . . . . .                                                                                                               | 1b                                                                                       |                                                       |                                         |                                                                                              |         |         |
|                                                           | c                                         | Fundraising events . . . . .                                                                                                            | 1c                                                                                       |                                                       |                                         |                                                                                              |         |         |
|                                                           | d                                         | Related organizations . . . . .                                                                                                         | 1d                                                                                       | 745,000                                               |                                         |                                                                                              |         |         |
|                                                           | e                                         | Government grants (contributions)                                                                                                       | 1e                                                                                       |                                                       |                                         |                                                                                              |         |         |
|                                                           | f                                         | All other contributions, gifts, grants, and<br>similar amounts not included above                                                       | 1f                                                                                       | 50,999                                                |                                         |                                                                                              |         |         |
|                                                           | g                                         | Noncash contributions included in lines 1a-1f \$                                                                                        |                                                                                          |                                                       |                                         |                                                                                              |         |         |
|                                                           | h                                         | Total. Add lines 1a-1f . . . . .                                                                                                        |                                                                                          | 795,999                                               |                                         |                                                                                              |         |         |
|                                                           | Program Service Revenue                   | 2a                                                                                                                                      | ANCILLARY SERVICES                                                                       | 621990                                                | 26,458,967                              | 26,458,967                                                                                   |         |         |
| b                                                         |                                           | ROUTINE SERVICES                                                                                                                        | 621990                                                                                   | 18,219,551                                            | 18,219,551                              |                                                                                              |         |         |
| c                                                         |                                           |                                                                                                                                         |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| d                                                         |                                           |                                                                                                                                         |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| e                                                         |                                           |                                                                                                                                         |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| f                                                         |                                           | All other program service revenue                                                                                                       |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| g                                                         |                                           | Total. Add lines 2a-2f . . . . .                                                                                                        |                                                                                          | 44,678,518                                            |                                         |                                                                                              |         |         |
| Other Revenue                                             |                                           | 3                                                                                                                                       | Investment income (including dividends, interest<br>and other similar amounts) . . . . . |                                                       | 356,064                                 |                                                                                              |         | 356,064 |
|                                                           |                                           | 4                                                                                                                                       | Income from investment of tax-exempt bond proceeds . . .                                 |                                                       |                                         |                                                                                              |         |         |
|                                                           | 5                                         | Royalties . . . . .                                                                                                                     |                                                                                          |                                                       |                                         |                                                                                              |         |         |
|                                                           | 6a                                        | Gross Rents                                                                                                                             | (i) Real<br>262,716                                                                      | (ii) Personal                                         |                                         |                                                                                              |         |         |
|                                                           | b                                         | Less rental expenses                                                                                                                    |                                                                                          |                                                       |                                         |                                                                                              |         |         |
|                                                           | c                                         | Rental income or (loss)                                                                                                                 | 262,716                                                                                  |                                                       |                                         |                                                                                              |         |         |
|                                                           | d                                         | Net rental income or (loss) . . . . .                                                                                                   |                                                                                          | 262,716                                               |                                         |                                                                                              | 262,716 |         |
|                                                           | 7a                                        | Gross amount from sales of assets other than inventory                                                                                  | (i) Securities<br>5,579,640                                                              | (ii) Other<br>106,000                                 |                                         |                                                                                              |         |         |
|                                                           | b                                         | Less cost or other basis and sales expenses                                                                                             | 5,356,849                                                                                |                                                       |                                         |                                                                                              |         |         |
|                                                           | c                                         | Gain or (loss)                                                                                                                          | 222,791                                                                                  | 106,000                                               |                                         |                                                                                              |         |         |
|                                                           | d                                         | Net gain or (loss) . . . . .                                                                                                            |                                                                                          | 328,791                                               |                                         |                                                                                              | 328,791 |         |
|                                                           | 8a                                        | Gross income from fundraising events (not including<br>\$ _____ of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . | a                                                                                        |                                                       |                                         |                                                                                              |         |         |
|                                                           | b                                         | Less direct expenses . . . . .                                                                                                          | b                                                                                        |                                                       |                                         |                                                                                              |         |         |
|                                                           | c                                         | Net income or (loss) from fundraising events . . .                                                                                      |                                                                                          |                                                       |                                         |                                                                                              |         |         |
|                                                           | 9a                                        | Gross income from gaming activities See Part IV, line 19 . . .                                                                          | a                                                                                        |                                                       |                                         |                                                                                              |         |         |
|                                                           | b                                         | Less direct expenses . . . . .                                                                                                          | b                                                                                        |                                                       |                                         |                                                                                              |         |         |
|                                                           | c                                         | Net income or (loss) from gaming activities . . .                                                                                       |                                                                                          |                                                       |                                         |                                                                                              |         |         |
|                                                           | 10a                                       | Gross sales of inventory, less returns and allowances . . .                                                                             | a                                                                                        |                                                       |                                         |                                                                                              |         |         |
|                                                           | b                                         | Less cost of goods sold . . . . .                                                                                                       | b                                                                                        |                                                       |                                         |                                                                                              |         |         |
|                                                           | c                                         | Net income or (loss) from sales of inventory . . .                                                                                      |                                                                                          |                                                       |                                         |                                                                                              |         |         |
|                                                           | Miscellaneous Revenue                     | Business Code                                                                                                                           |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| 11a                                                       | OTHER INCOME                              | 621990                                                                                                                                  | 7,729,155                                                                                | 7,729,155                                             |                                         |                                                                                              |         |         |
| b                                                         |                                           |                                                                                                                                         |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| c                                                         |                                           |                                                                                                                                         |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| d                                                         | All other revenue . . . . .               |                                                                                                                                         |                                                                                          |                                                       |                                         |                                                                                              |         |         |
| e                                                         | Total. Add lines 11a-11d . . . . .        |                                                                                                                                         | 7,729,155                                                                                |                                                       |                                         |                                                                                              |         |         |
| 12                                                        | Total revenue. See Instructions . . . . . |                                                                                                                                         | 54,151,243                                                                               | 52,407,673                                            | 0                                       | 947,571                                                                                      |         |         |

Part IX

Statement of Functional Expenses

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

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. |                                                                                                                                                                                                                                                  | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| 1                                                                              | Grants and other assistance to governments and organizations in the U S See Part IV, line 21                                                                                                                                                     | 36,694                | 36,694                          |                                        |                             |
| 2                                                                              | Grants and other assistance to individuals in the U S See Part IV, line 22                                                                                                                                                                       |                       |                                 |                                        |                             |
| 3                                                                              | Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16                                                                                                                          |                       |                                 |                                        |                             |
| 4                                                                              | Benefits paid to or for members                                                                                                                                                                                                                  |                       |                                 |                                        |                             |
| 5                                                                              | Compensation of current officers, directors, trustees, and key employees . . . . .                                                                                                                                                               | 1,525,835             |                                 | 1,525,835                              |                             |
| 6                                                                              | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .                                                                                          |                       |                                 |                                        |                             |
| 7                                                                              | Other salaries and wages                                                                                                                                                                                                                         | 25,162,135            | 19,681,773                      | 5,480,362                              |                             |
| 8                                                                              | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .                                                                                                                                          | 1,007,394             | 745,472                         | 261,922                                |                             |
| 9                                                                              | Other employee benefits . . . . .                                                                                                                                                                                                                | 2,997,314             | 2,218,012                       | 779,302                                |                             |
| 10                                                                             | Payroll taxes . . . . .                                                                                                                                                                                                                          | 1,893,356             | 1,401,083                       | 492,273                                |                             |
| a                                                                              | Fees for services (non-employees)                                                                                                                                                                                                                |                       |                                 |                                        |                             |
|                                                                                | Management . . . . .                                                                                                                                                                                                                             |                       |                                 |                                        |                             |
| b                                                                              | Legal . . . . .                                                                                                                                                                                                                                  | 220,767               |                                 | 220,767                                |                             |
| c                                                                              | Accounting . . . . .                                                                                                                                                                                                                             | 142,544               |                                 | 142,544                                |                             |
| d                                                                              | Lobbying . . . . .                                                                                                                                                                                                                               |                       |                                 |                                        |                             |
| e                                                                              | Professional fundraising services See Part IV, line 17 . . . . .                                                                                                                                                                                 |                       |                                 |                                        |                             |
| f                                                                              | Investment management fees . . . . .                                                                                                                                                                                                             |                       |                                 |                                        |                             |
| g                                                                              | Other . . . . .                                                                                                                                                                                                                                  | 62,454                | 62,454                          |                                        |                             |
| 12                                                                             | Advertising and promotion . . . . .                                                                                                                                                                                                              | 101,303               | 101,303                         |                                        |                             |
| 13                                                                             | Office expenses . . . . .                                                                                                                                                                                                                        | 1,132,418             | 1,132,418                       |                                        |                             |
| 14                                                                             | Information technology . . . . .                                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| 15                                                                             | Royalties . . . . .                                                                                                                                                                                                                              |                       |                                 |                                        |                             |
| 16                                                                             | Occupancy . . . . .                                                                                                                                                                                                                              |                       |                                 |                                        |                             |
| 17                                                                             | Travel . . . . .                                                                                                                                                                                                                                 | 160,403               | 160,403                         |                                        |                             |
| 18                                                                             | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .                                                                                                                                         |                       |                                 |                                        |                             |
| 19                                                                             | Conferences, conventions, and meetings . . . . .                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| 20                                                                             | Interest . . . . .                                                                                                                                                                                                                               | 434,214               | 434,214                         |                                        |                             |
| 21                                                                             | Payments to affiliates . . . . .                                                                                                                                                                                                                 |                       |                                 |                                        |                             |
| 22                                                                             | Depreciation, depletion, and amortization . . . . .                                                                                                                                                                                              | 2,816,000             | 2,816,000                       |                                        |                             |
| 23                                                                             | Insurance . . . . .                                                                                                                                                                                                                              | 1,074,204             | 1,074,204                       |                                        |                             |
| 24                                                                             | Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )                                                  |                       |                                 |                                        |                             |
| a                                                                              | COST OF GOODS SOLD                                                                                                                                                                                                                               | 3,035,998             | 3,035,998                       |                                        |                             |
| b                                                                              | CONTRACT SERVICES                                                                                                                                                                                                                                | 2,077,419             | 2,077,419                       |                                        |                             |
| c                                                                              | EQUIPMENT RENTAL & MAIN                                                                                                                                                                                                                          | 1,677,719             | 1,677,719                       |                                        |                             |
| d                                                                              | UTILITIES                                                                                                                                                                                                                                        | 1,017,950             | 1,017,950                       |                                        |                             |
| e                                                                              | NUTRITION SERVICES FOOD                                                                                                                                                                                                                          | 857,962               | 857,962                         |                                        |                             |
| f                                                                              | All other expenses                                                                                                                                                                                                                               | 2,354,846             | 2,354,846                       |                                        |                             |
| 25                                                                             | Total functional expenses. Add lines 1 through 24f                                                                                                                                                                                               | 49,788,929            | 40,885,924                      | 8,903,005                              | 0                           |
| 26                                                                             | Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |                                        |                             |

Part X

Balance Sheet

|                             |                                                                                                                                           |                                                                                                                                                                                                                                                                                                      |     |            | (A)               |            | (B)         |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|-------------------|------------|-------------|
|                             |                                                                                                                                           |                                                                                                                                                                                                                                                                                                      |     |            | Beginning of year |            | End of year |
| Assets                      | 1                                                                                                                                         | Cash—non-interest-bearing . . . . .                                                                                                                                                                                                                                                                  |     |            |                   | 1          |             |
|                             | 2                                                                                                                                         | Savings and temporary cash investments . . . . .                                                                                                                                                                                                                                                     |     |            | 1,036,097         | 2          | 2,737,254   |
|                             | 3                                                                                                                                         | Pledges and grants receivable, net . . . . .                                                                                                                                                                                                                                                         |     |            |                   | 3          |             |
|                             | 4                                                                                                                                         | Accounts receivable, net . . . . .                                                                                                                                                                                                                                                                   |     |            | 8,008,526         | 4          | 7,782,528   |
|                             | 5                                                                                                                                         | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .                                                                                                                                        |     |            |                   | 5          | 215,210     |
|                             | 6                                                                                                                                         | Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L . . . . . |     |            |                   | 6          |             |
|                             | 7                                                                                                                                         | Notes and loans receivable, net . . . . .                                                                                                                                                                                                                                                            |     |            |                   | 7          |             |
|                             | 8                                                                                                                                         | Inventories for sale or use . . . . .                                                                                                                                                                                                                                                                |     |            | 764,943           | 8          | 834,171     |
|                             | 9                                                                                                                                         | Prepaid expenses and deferred charges . . . . .                                                                                                                                                                                                                                                      |     |            | 731,873           | 9          | 789,122     |
|                             | 10a                                                                                                                                       | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .                                                                                                                                                                                                        | 10a | 92,230,003 | 23,450,832        | 10c        | 24,654,948  |
|                             | b                                                                                                                                         | Less: accumulated depreciation . . . . .                                                                                                                                                                                                                                                             | 10b | 67,575,055 |                   |            |             |
|                             | 11                                                                                                                                        | Investments—publicly traded securities . . . . .                                                                                                                                                                                                                                                     |     |            |                   | 11         |             |
|                             | 12                                                                                                                                        | Investments—other securities. See Part IV, line 11 . . . . .                                                                                                                                                                                                                                         |     |            | 29,762,028        | 12         | 30,852,169  |
|                             | 13                                                                                                                                        | Investments—program-related. See Part IV, line 11 . . . . .                                                                                                                                                                                                                                          |     |            |                   | 13         |             |
|                             | 14                                                                                                                                        | Intangible assets . . . . .                                                                                                                                                                                                                                                                          |     |            |                   | 14         |             |
|                             | 15                                                                                                                                        | Other assets. See Part IV, line 11 . . . . .                                                                                                                                                                                                                                                         |     |            | 11,565,596        | 15         | 11,974,427  |
| 16                          | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .                                                                       |                                                                                                                                                                                                                                                                                                      |     | 75,319,895 | 16                | 79,839,829 |             |
| Liabilities                 | 17                                                                                                                                        | Accounts payable and accrued expenses . . . . .                                                                                                                                                                                                                                                      |     |            | 3,651,240         | 17         | 3,443,687   |
|                             | 18                                                                                                                                        | Grants payable . . . . .                                                                                                                                                                                                                                                                             |     |            |                   | 18         |             |
|                             | 19                                                                                                                                        | Deferred revenue . . . . .                                                                                                                                                                                                                                                                           |     |            |                   | 19         |             |
|                             | 20                                                                                                                                        | Tax-exempt bond liabilities . . . . .                                                                                                                                                                                                                                                                |     |            | 10,595,220        | 20         | 8,038,396   |
|                             | 21                                                                                                                                        | Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .                                                                                                                                                                                                                      |     |            |                   | 21         |             |
|                             | 22                                                                                                                                        | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .                                                                                                                       |     |            |                   | 22         |             |
|                             | 23                                                                                                                                        | Secured mortgages and notes payable to unrelated third parties . . . . .                                                                                                                                                                                                                             |     |            | 800,000           | 23         | 2,000,000   |
|                             | 24                                                                                                                                        | Unsecured notes and loans payable to unrelated third parties . . . . .                                                                                                                                                                                                                               |     |            |                   | 24         |             |
|                             | 25                                                                                                                                        | Other liabilities. Complete Part X of Schedule D . . . . .                                                                                                                                                                                                                                           |     |            | 369,955           | 25         | 271,749     |
|                             | 26                                                                                                                                        | Total liabilities. Add lines 17 through 25 . . . . .                                                                                                                                                                                                                                                 |     |            | 15,416,415        | 26         | 13,753,832  |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. |                                                                                                                                                                                                                                                                                                      |     |            |                   |            |             |
|                             | 27                                                                                                                                        | Unrestricted net assets . . . . .                                                                                                                                                                                                                                                                    |     |            | 59,903,480        | 27         | 66,085,997  |
|                             | 28                                                                                                                                        | Temporarily restricted net assets . . . . .                                                                                                                                                                                                                                                          |     |            |                   | 28         |             |
|                             | 29                                                                                                                                        | Permanently restricted net assets . . . . .                                                                                                                                                                                                                                                          |     |            |                   | 29         |             |
|                             | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.                          |                                                                                                                                                                                                                                                                                                      |     |            |                   |            |             |
|                             | 30                                                                                                                                        | Capital stock or trust principal, or current funds . . . . .                                                                                                                                                                                                                                         |     |            |                   | 30         |             |
|                             | 31                                                                                                                                        | Paid-in or capital surplus, or land, building or equipment fund . . . . .                                                                                                                                                                                                                            |     |            |                   | 31         |             |
|                             | 32                                                                                                                                        | Retained earnings, endowment, accumulated income, or other funds . . . . .                                                                                                                                                                                                                           |     |            |                   | 32         |             |
|                             | 33                                                                                                                                        | Total net assets or fund balances . . . . .                                                                                                                                                                                                                                                          |     |            | 59,903,480        | 33         | 66,085,997  |
|                             | 34                                                                                                                                        | Total liabilities and net assets/fund balances . . . . .                                                                                                                                                                                                                                             |     |            | 75,319,895        | 34         | 79,839,829  |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . .

|   |                                                                                                               |   |            |
|---|---------------------------------------------------------------------------------------------------------------|---|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12)                                                     | 1 | 54,151,243 |
| 2 | Total expenses (must equal Part IX, column (A), line 25)                                                      | 2 | 49,788,929 |
| 3 | Revenue less expenses Subtract line 2 from line 1                                                             | 3 | 4,362,314  |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4 | 59,903,480 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)                                          | 5 | 1,820,203  |
| 6 | Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) | 6 | 66,085,997 |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . .

|    |                                                                                                                                                                                                                                                                                                                                                  | Yes | No |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1  | Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other<br>If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O                                                                      |     |    |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant?                                                                                                                                                                                                                                                  |     | No |
| b  | Were the organization's financial statements audited by an independent accountant?                                                                                                                                                                                                                                                               | Yes |    |
| c  | If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?<br>If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | Yes |    |
| d  | If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis             |     |    |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?                                                                                                                                                                                         |     | No |
| b  | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits                                                                                                                             |     |    |

SCHEDULE A  
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

Name of the organization  
MISSISSIPPI METHODIST HOSPITAL &  
REHABILITATION CENTER

Employer identification number  
23-7067206

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h  

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

|          | Yes | No |
|----------|-----|----|
| 11g(i)   |     |    |
| 11g(ii)  |     |    |
| 11g(iii) |     |    |

| (i)<br>Name of supported organization | (ii)<br>EIN | (iii)<br>Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)<br>Is the organization in col (i) listed in your governing document? |    | (v)<br>Did you notify the organization in col (i) of your support? |    | (vi)<br>Is the organization in col (i) organized in the U S ? |    | (vii)<br>Amount of support |
|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----|--------------------------------------------------------------------|----|---------------------------------------------------------------|----|----------------------------|
|                                       |             |                                                                                                 | Yes                                                                       | No | Yes                                                                | No | Yes                                                           | No |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
|                                       |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |
| Total                                 |             |                                                                                                 |                                                                           |    |                                                                    |    |                                                               |    |                            |

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

| Section A. Public Support                                                                                                                                                                             |          |          |          |          |          |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                                                         | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")                                                                                                   |          |          |          |          |          |           |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                                                     |          |          |          |          |          |           |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                                             |          |          |          |          |          |           |
| 4 Total. Add lines 1 through 3                                                                                                                                                                        |          |          |          |          |          |           |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) |          |          |          |          |          |           |
| 6 Public Support. Subtract line 5 from line 4                                                                                                                                                         |          |          |          |          |          |           |

| Section B. Total Support                                                                                                                                                  |          |          |          |          |          |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                             | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
| 7 Amounts from line 4                                                                                                                                                     |          |          |          |          |          |           |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                          |          |          |          |          |          |           |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on                                                                      |          |          |          |          |          |           |
| 10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )                                                                         |          |          |          |          |          |           |
| 11 Total support (Add lines 7 through 10)                                                                                                                                 |          |          |          |          |          |           |
| 12 Gross receipts from related activities, etc (See instructions )                                                                                                        |          |          |          |          | 12       |           |
| 13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶ |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage                                                                                                                                                                                                                                                                                                                                          |  |  |  |  |    |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|----|--|
| 14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))                                                                                                                                                                                                                                                                                                      |  |  |  |  | 14 |  |
| 15 Public Support Percentage for 2009 Schedule A, Part II, line 14                                                                                                                                                                                                                                                                                                                           |  |  |  |  | 15 |  |
| 16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶                                                                                                                                                                         |  |  |  |  |    |  |
| b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶                                                                                                                                                                    |  |  |  |  |    |  |
| 17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶    |  |  |  |  |    |  |
| b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶ |  |  |  |  |    |  |
| 18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶                                                                                                                                                                                                                                                        |  |  |  |  |    |  |

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

| Section A. Public Support                                                                                                                                                  |          |          |          |          |          |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) ▶                                                                                                                              | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")                                                                        |          |          |          |          |          |           |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose |          |          |          |          |          |           |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513                                                                             |          |          |          |          |          |           |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf                                                                          |          |          |          |          |          |           |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge                                                                  |          |          |          |          |          |           |
| 6 Total. Add lines 1 through 5                                                                                                                                             |          |          |          |          |          |           |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons                                                                                                |          |          |          |          |          |           |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year           |          |          |          |          |          |           |
| c Add lines 7a and 7b                                                                                                                                                      |          |          |          |          |          |           |
| 8 Public Support (Subtract line 7c from line 6 )                                                                                                                           |          |          |          |          |          |           |

| Section B. Total Support                    |                                                                                                                                                                                           |          |          |          |          |          |           |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) |                                                                                                                                                                                           | (a) 2006 | (b) 2007 | (c) 2008 | (d) 2009 | (e) 2010 | (f) Total |
| 9                                           | Amounts from line 6                                                                                                                                                                       |          |          |          |          |          |           |
| 10a                                         | Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources                                                            |          |          |          |          |          |           |
| b                                           | Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975                                                                                   |          |          |          |          |          |           |
| c                                           | Add lines 10a and 10b                                                                                                                                                                     |          |          |          |          |          |           |
| 11                                          | Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on                                                               |          |          |          |          |          |           |
| 12                                          | Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV )                                                                                           |          |          |          |          |          |           |
| 13                                          | <b>Total support</b> (Add lines 9, 10c, 11 and 12 )                                                                                                                                       |          |          |          |          |          |           |
| 14                                          | <b>First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and <b>stop here</b> |          |          |          |          |          |           |

| Section C. Computation of Public Support Percentage |                                                                                      |    |  |
|-----------------------------------------------------|--------------------------------------------------------------------------------------|----|--|
| 15                                                  | Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f)) | 15 |  |
| 16                                                  | Public support percentage from 2009 Schedule A, Part III, line 15                    | 16 |  |

| Section D. Computation of Investment Income Percentage |                                                                                                                                                                                                                                                                                   |    |  |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--|
| 17                                                     | Investment income percentage for <b>2010</b> (line 10c column (f) divided by line 13 column (f))                                                                                                                                                                                  | 17 |  |
| 18                                                     | Investment income percentage from <b>2009</b> Schedule A, Part III, line 17                                                                                                                                                                                                       | 18 |  |
| 19a                                                    | <b>33 1/3% support tests—2010.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ▶           |    |  |
| b                                                      | <b>33 1/3% support tests—2009.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ▶ |    |  |
| 20                                                     | <b>Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶                                                                                                                                                   |    |  |



Part IV

**Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

|                                                                           |                |           |                        |
|---------------------------------------------------------------------------|----------------|-----------|------------------------|
| 4d. Other program services                                                |                |           |                        |
| (Code                                                                     | ) (Expenses \$ | 3,877,762 | including grants of \$ |
|                                                                           |                |           | ) (Revenue \$          |
| INTEREST, DEPRECIATION, AMORTIZATION, AND BAD DEBTS RELATING (A ) AND (B) |                |           |                        |

SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

**If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

**If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

**If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then**

- Section 501(c)(4), (5), or (6) organizations Complete Part III

|                                                                                       |                                                  |
|---------------------------------------------------------------------------------------|--------------------------------------------------|
| Name of the organization<br>MISSISSIPPI METHODIST HOSPITAL &<br>REHABILITATION CENTER | Employer identification number<br><br>23-7067206 |
|---------------------------------------------------------------------------------------|--------------------------------------------------|

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

|   |                                                                                                          |            |
|---|----------------------------------------------------------------------------------------------------------|------------|
| 1 | Provide a description of the organization’s direct and indirect political campaign activities in Part IV |            |
| 2 | Political expenditures                                                                                   | ▶ \$ _____ |
| 3 | Volunteer hours                                                                                          | _____      |

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

|    |                                                                                         |                                                          |
|----|-----------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1  | Enter the amount of any excise tax incurred by the organization under section 4955      | ▶ \$ _____                                               |
| 2  | Enter the amount of any excise tax incurred by organization managers under section 4955 | ▶ \$ _____                                               |
| 3  | If the organization incurred a section 4955 tax, did it file Form 4720 for this year?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4a | Was a correction made?                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b  | If “Yes,” describe in Part IV                                                           |                                                          |

**Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).**

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                          |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1 | Enter the amount directly expended by the filing organization for section 527 exempt function activities                                                                                                                                                                                                                                                                                                                                                                                                                                | ▶ \$ _____                                               |
| 2 | Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities                                                                                                                                                                                                                                                                                                                                                                                                        | ▶ \$ _____                                               |
| 3 | Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b                                                                                                                                                                                                                                                                                                                                                                                                                                          | ▶ \$ _____                                               |
| 4 | Did the filing organization file <b>Form 1120-POL</b> for this year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5 | Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV |                                                          |

| (a) Name | (b) Address | (c) EIN | (d) Amount paid from filing organization's funds If none, enter -0- | (e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0- |
|----------|-------------|---------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |
|          |             |         |                                                                     |                                                                                                                                            |

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

| Limits on Lobbying Expenditures<br>(The term "expenditures" means amounts paid or incurred.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                   | (a) Filing<br>Organization's<br>Totals                   | (b) Affiliated<br>Group<br>Totals  |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------|------------------------------------|--------------------|------------------------------|-----------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------|-------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grass roots lobbying)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                   |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| b Total lobbying expenditures to influence a legislative body (direct lobbying)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                   | 80,000                                                   |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| c Total lobbying expenditures (add lines 1a and 1b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   | 80,000                                                   |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| d Other exempt purpose expenditures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   | 40,805,924                                               |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| e Total exempt purpose expenditures (add lines 1c and 1d)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                   | 40,885,924                                               |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| f Lobbying nontaxable amount Enter the amount from the following table in both columns                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                   | 1,000,000                                                |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| <table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</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> |                                                   | If the amount on line 1e, column (a) or (b) is:          | The lobbying nontaxable amount is: | Not over \$500,000 | 20% of the amount on line 1e | 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 |  |  |
| If the amount on line 1e, column (a) or (b) is:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The lobbying nontaxable amount is:                |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| Not over \$500,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 20% of the amount on line 1e                      |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| 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                                       |                                                          |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| g Grassroots nontaxable amount (enter 25% of line 1f)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   | 250,000                                                  |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| h Subtract line 1g from line 1a If zero or less, enter -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                   | 0                                                        |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| i Subtract line 1f from line 1c If zero or less, enter -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                   | 0                                                        |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |
| j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                   | <input type="checkbox"/> Yes <input type="checkbox"/> No |                                    |                    |                              |                                         |                                                 |                                           |                                                   |                                            |                                                  |                   |             |  |  |

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 2a through 2f on page 4.)

| Lobbying Expenditures During 4-Year Averaging Period         |           |           |           |           |           |
|--------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Calendar year (or fiscal year beginning in)                  | (a) 2007  | (b) 2008  | (c) 2009  | (d) 2010  | (e) Total |
| 2a Lobbying non-taxable amount                               | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 4,000,000 |
| b Lobbying ceiling amount<br>(150% of line 2a, column(e))    |           |           |           |           | 6,000,000 |
| c Total lobbying expenditures                                | 97,159    | 82,439    | 85,035    | 80,000    | 344,633   |
| d Grassroots non-taxable amount                              | 250,000   | 250,000   | 250,000   | 250,000   | 1,000,000 |
| e Grassroots ceiling amount<br>(150% of line 2d, column (e)) |           |           |           |           | 1,500,000 |
| f Grassroots lobbying expenditures                           |           |           |           |           |           |

**Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

|           |                                                                                                                                                                                                                              | (a) |    | (b)    |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
|           |                                                                                                                                                                                                                              | Yes | No | Amount |
| <b>1</b>  | During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of |     |    |        |
| <b>a</b>  | Volunteers?                                                                                                                                                                                                                  |     |    |        |
| <b>b</b>  | Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?                                                                                                                                 |     |    |        |
| <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 similar means?                                                                                                                                    |     |    |        |
| <b>i</b>  | Other activities? If "Yes," describe in Part IV                                                                                                                                                                              |     |    |        |
| <b>j</b>  | Total lines 1c through 1i                                                                                                                                                                                                    |     |    |        |
| <b>2a</b> | Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?                                                                                                                                |     |    |        |
| <b>b</b>  | If "Yes," enter the amount of any tax incurred under section 4912                                                                                                                                                            |     |    |        |
| <b>c</b>  | If "Yes," enter the amount of any tax incurred by organization managers under section 4912                                                                                                                                   |     |    |        |
| <b>d</b>  | If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?                                                                                                                                 |     |    |        |

**Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

|          |                                                                                                  |          | Yes | No |
|----------|--------------------------------------------------------------------------------------------------|----------|-----|----|
| <b>1</b> | Were substantially all (90% or more) dues received nondeductible by members?                     | <b>1</b> |     |    |
| <b>2</b> | Did the organization make only in-house lobbying expenditures of \$2,000 or less?                | <b>2</b> |     |    |
| <b>3</b> | Did the organization agree to carryover lobbying and political expenditures from the prior year? | <b>3</b> |     |    |

**Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".**

|          |                                                                                                                                                                                                                                            |           |  |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>1</b> | Dues, assessments and similar amounts from members                                                                                                                                                                                         | <b>1</b>  |  |
| <b>2</b> | Section 162(e) non-deductible lobbying and political expenditures ( <b>do not include amounts of political expenses for which the section 527(f) tax was paid</b> ).                                                                       |           |  |
| <b>a</b> | Current year                                                                                                                                                                                                                               | <b>2a</b> |  |
| <b>b</b> | Carryover from last year                                                                                                                                                                                                                   | <b>2b</b> |  |
| <b>c</b> | Total                                                                                                                                                                                                                                      | <b>2c</b> |  |
| <b>3</b> | Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues                                                                                                                                            | <b>3</b>  |  |
| <b>4</b> | If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year? | <b>4</b>  |  |
| <b>5</b> | Taxable amount of lobbying and political expenditures (see instructions)                                                                                                                                                                   | <b>5</b>  |  |

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

SCHEDULE D

(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**  
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

**Name of the organization**  
MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

**Employer identification number**  
23-7067206

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   |                                                                                                                                                                                                                                                                                                                                         |                              |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
|   | (a) Donor advised funds                                                                                                                                                                                                                                                                                                                 | (b) Funds and other accounts |
| 1 | Total number at end of year                                                                                                                                                                                                                                                                                                             |                              |
| 2 | Aggregate contributions to (during year)                                                                                                                                                                                                                                                                                                |                              |
| 3 | Aggregate grants from (during year)                                                                                                                                                                                                                                                                                                     |                              |
| 4 | Aggregate value at end of year                                                                                                                                                                                                                                                                                                          |                              |
| 5 | Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>                                                            |                              |
| 6 | Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div> |                              |

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

|   |                                                                                    |
|---|------------------------------------------------------------------------------------|
|   | Held at the End of the Year                                                        |
| a | Total number of conservation easements                                             |
| b | Total acreage restricted by conservation easements                                 |
| c | Number of conservation easements on a certified historic structure included in (a) |
| d | Number of conservation easements included in (c) acquired after 8/17/06            |

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

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

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

|    |                                                          |               |                   |                     |                    |
|----|----------------------------------------------------------|---------------|-------------------|---------------------|--------------------|
|    | (a)Current Year                                          | (b)Prior Year | (c)Two Years Back | (d)Three Years Back | (e)Four Years Back |
| 1a | Beginning of year balance . . . . .                      |               |                   |                     |                    |
| b  | Contributions . . . . .                                  |               |                   |                     |                    |
| c  | Investment earnings or losses . . . . .                  |               |                   |                     |                    |
| d  | Grants or scholarships . . . . .                         |               |                   |                     |                    |
| e  | Other expenditures for facilities and programs . . . . . |               |                   |                     |                    |
| f  | Administrative expenses . . . . .                        |               |                   |                     |                    |
| g  | End of year balance . . . . .                            |               |                   |                     |                    |

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

|        |     |    |
|--------|-----|----|
|        | Yes | No |
| 3a(i)  |     |    |
| 3a(ii) |     |    |
| 3b     |     |    |

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

b

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

4

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

Part VI

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

|                                                                                                        |                                      |                                |                              |                |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------|------------------------------|----------------|
| Description of investment                                                                              | (a) Cost or other basis (investment) | (b)Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
| 1a Land . . . . .                                                                                      |                                      |                                |                              |                |
| b Buildings . . . . .                                                                                  |                                      | 58,764,826                     | 38,005,064                   | 20,759,762     |
| c Leasehold improvements . . . . .                                                                     |                                      |                                |                              |                |
| d Equipment . . . . .                                                                                  |                                      | 33,459,757                     | 29,569,991                   | 3,889,766      |
| e Other . . . . .                                                                                      |                                      | 5,420                          |                              | 5,420          |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶ |                                      |                                |                              | 24,654,948     |

Schedule D (Form 990) 2010





Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

| Identifier                                          | Return Reference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48 | PART X           | THE HOSPITAL AND FOUNDATION ARE NOT-FOR-PROFIT CORPORATIONS AND HAVE BEEN RECOGNIZED AS A TAX EXEMPT ORGANIZATION PURSUANT TO SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE. THE FOUNDATION QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION UNDER SECTION 170(B)(1)(A) AND HAS BEEN CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION UNDER SECTION 509(A)(2). SELECT IS SUBJECT TO INCOME TAXES, BUT HAS HISTORICALLY HAD CUMULATIVE NET OPERATING LOSSES. DURING 2010, PAIN FILED A PARTNERSHIP INCOME TAX RETURN WHEREBY THE MEMBERS SEPARATELY ACCOUNTED FOR THEIR PRORATA SHARE OF INCOME, DEDUCTIONS, LOSSES AND CREDITS. AS A RESULT, NO PROVISION FOR INCOME TAXES HAD BEEN RECOGNIZED IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS. THE HOSPITAL HAD NO SIGNIFICANT UNCERTAIN TAX POSITIONS AT THE DATE OF ADOPTION OR AT JUNE 30, 2010. ACCORDINGLY, THE ADOPTION DID NOT HAVE A MATERIAL EFFECT ON THE HOSPITAL'S FINANCIAL POSITION OR CHANGES IN NET ASSETS. IF INTEREST AND PENALTIES ARE INCURRED RELATED TO UNCERTAIN TAX POSITIONS, SUCH AMOUNTS WOULD BE RECOGNIZED IN INCOME TAX EXPENSE. TAX PERIODS FOR ALL FISCAL YEARS AFTER 2007 REMAIN OPEN TO EXAMINATION BY THE FEDERAL AND STATE TAXING JURISDICTIONS TO WHICH THE HOSPITAL IS SUBJECT. |

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**  
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

**Name of the organization**  
MISSISSIPPI METHODIST HOSPITAL &  
REHABILITATION CENTER

**Employer identification number**  
23-7067206

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs                                   | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheets 1 and 2)                                    |                                                 |                               | 290,722                             |                               | 290,722                           | 0 590 %                      |
| b Unreimbursed Medicaid (from Worksheet 3, column a)                                        |                                                 |                               | 11,450,868                          | 14,023,628                    | -2,572,760                        | 0 %                          |
| c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)    |                                                 |                               |                                     |                               |                                   |                              |
| d Total Financial Assistance and Means-Tested Government Programs . . . . .                 |                                                 |                               | 11,741,590                          | 14,023,628                    | -2,282,038                        | 0 590 %                      |
| Other Benefits                                                                              |                                                 |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) |                                                 |                               | 3,780,244                           | 1,440,877                     | 2,339,367                         | 4 760 %                      |
| f Health professions education (from Worksheet 5)                                           |                                                 |                               | 425,152                             | 8,873                         | 416,279                           | 0 850 %                      |
| g Subsidized health services (from Worksheet 6)                                             |                                                 |                               |                                     |                               |                                   |                              |
| h Research (from Worksheet 7)                                                               |                                                 |                               | 1,023,253                           | 741,403                       | 281,850                           | 0 570 %                      |
| i Cash and in-kind contributions to community groups (from Worksheet 8)                     |                                                 |                               | 650,561                             |                               | 650,561                           | 1 320 %                      |
| j Total Other Benefits . . . . .                                                            |                                                 |                               | 5,879,210                           | 2,191,153                     | 3,688,057                         | 7 500 %                      |
| k Total. Add lines 7d and 7j                                                                |                                                 |                               | 17,620,800                          | 16,214,781                    | 1,406,019                         | 8 090 %                      |

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

|    | (a) Number of activities or programs (optional)           | (b) Persons served (optional) | (c) Total community building expense | (d) Direct offsetting revenue | (e) Net community building expense | (f) Percent of total expense |
|----|-----------------------------------------------------------|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1  | Physical improvements and housing                         |                               | 34,160                               | 0                             | 34,160                             | 0.070 %                      |
| 2  | Economic development                                      |                               |                                      |                               |                                    |                              |
| 3  | Community support                                         |                               |                                      |                               |                                    |                              |
| 4  | Environmental improvements                                |                               |                                      |                               |                                    |                              |
| 5  | Leadership development and training for community members |                               |                                      |                               |                                    |                              |
| 6  | Coalition building                                        |                               |                                      |                               |                                    |                              |
| 7  | Community health improvement advocacy                     |                               |                                      |                               |                                    |                              |
| 8  | Workforce development                                     |                               |                                      |                               |                                    |                              |
| 9  | Other                                                     |                               |                                      |                               |                                    |                              |
| 10 | Total                                                     |                               | 34,160                               |                               | 34,160                             | 0.070 %                      |

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

|   |                                                                                                                                                                                                                                                                                                                  |     |         |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
|   |                                                                                                                                                                                                                                                                                                                  | Yes | No      |
| 1 | Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?                                                                                                                                                                                    | 1   | No      |
| 2 | Enter the amount of the organization's bad debt expense (at cost)                                                                                                                                                                                                                                                | 2   | 345,525 |
| 3 | Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy                                                                                                                                               | 3   | 0       |
| 4 | Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. |     |         |

Section B. Medicare

|   |                                                                                                                                                                                                                                                                                                                                                                                                                       |   |            |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------|
| 5 | Enter total revenue received from Medicare (including DSH and IME)                                                                                                                                                                                                                                                                                                                                                    | 5 | 10,757,985 |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5                                                                                                                                                                                                                                                                                                                                                 | 6 | 12,008,026 |
| 7 | Subtract line 6 from line 5. This is the surplus or (shortfall)                                                                                                                                                                                                                                                                                                                                                       | 7 | -1,250,041 |
| 8 | Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:<br><input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other |   |            |

Section C. Collection Practices

|    |                                                                                                                                                                                                                       |    |     |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-----|
| 9a | Does the organization have a written debt collection policy?                                                                                                                                                          | 9a | Yes |
| b  | If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI | 9b | Yes |

Part IV

Management Companies and Joint Ventures

| (a) Name of entity                           | (b) Description of primary activity of entity | (c) Organization's profit % or stock ownership % | (d) Officers, directors, trustees, or key employees' profit % or stock ownership% | (e) Physicians' profit % or stock ownership % |
|----------------------------------------------|-----------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------|
| 1 1 SELECT PHYSICIAN MANAGEMENT SERVICES INC | MANAGING PHYSICIAN PRACTICES                  | 100.000 %                                        | 0 %                                                                               | 0 %                                           |
| 2                                            |                                               |                                                  |                                                                                   |                                               |
| 3                                            |                                               |                                                  |                                                                                   |                                               |
| 4                                            |                                               |                                                  |                                                                                   |                                               |
| 5                                            |                                               |                                                  |                                                                                   |                                               |
| 6                                            |                                               |                                                  |                                                                                   |                                               |
| 7                                            |                                               |                                                  |                                                                                   |                                               |
| 8                                            |                                               |                                                  |                                                                                   |                                               |
| 9                                            |                                               |                                                  |                                                                                   |                                               |
| 10                                           |                                               |                                                  |                                                                                   |                                               |
| 11                                           |                                               |                                                  |                                                                                   |                                               |
| 12                                           |                                               |                                                  |                                                                                   |                                               |
| 13                                           |                                               |                                                  |                                                                                   |                                               |

**Schedule H (Form 990) 2010**

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 12

| Name and address            | Type of Facility (Describe) |
|-----------------------------|-----------------------------|
| 1 See Additional Data Table |                             |

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                           |
|------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART I, LINE 3C METHODIST REHABILITATION UTILIZES THE FPG 150% OR LESS TO DETERMINE "FREE CARE TO LOW INCOME INDIVIDUALS" HOWEVER DISCOUNTED CARE DOES NOT UTILIZE THE FPG METHODIST REHABILITATION DOES PROVIDE A PRIVATE PAY 30% DISCOUNT AND MONTHLY PAYMENT PLANS |

| Identifier | ReturnReference | Explanation                                                                                                                                     |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART I, LINE 7 THE COSTING METHODOLOGY UTILIZED WAS THE COST-TO-CHARGE RATIO AS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES |

| Identifier | ReturnReference | Explanation                                                                                                                                                                               |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 594257 |



| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                     |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART II MRC SPONSORED THREE HUD SECTION 811 PROJECTS TO BUILD ACCESSIBLE HOUSING APARTMENT COMPLEXES IN JACKSON, HATTIESBURG, AND MERIDIAN, MISSISSIPPI THESE COMPLEXES WERE SPECIALLY DESIGNED FOR LOW-INCOME PEOPLE WITH MOBILITY IMPAIRMENTS |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 4 PATIENT ACCOUNTS RECEIVABLE ARE REPORTED AT NET REALIZABLE VALUE, AFTER DEDUCTION OF ALLOWANCES FOR ESTIMATED UNCOLLECTIBLE ACCOUNTS THE ESTIMATED ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED ON HISTORICAL LOSSES AND AN ANALYSIS OF CURRENTLY OUTSTANDING AMOUNTS THIS ACCOUNT IS GENERALLY INCREASED BY CHARGES TO A PROVISION FOR UNCOLLECTIBLE ACCOUNTS AND DECREASED BY WRITE-OFFS OF ACCOUNTS DETERMINED BY MANAGEMENT TO BE UNCOLLECTIBLE THE COSTING METHODOLOGY WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGE, WAS USED TO DETERMINE THE AMOUNT OF BAD DEBT EXPENSE REPORTED ON LINE 2 OF PART III |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 8 WE CONSIDER OUR SHORTFALL A COMMUNITY BENEFIT BECAUSE WE ARE THE ONLY FREE STANDING PHYSICAL MEDICINE AND REHABILITATION PROVIDER IN THE STATE, AND WE SERVE THE MOST SEVERE BRAIN, SPINAL, AND STROKE PATIENTS THROUGHOUT OUR SERVICE AREA THE COSTING METHODOLOGY WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGE, WAS USED TO DETERMINE THE AMOUNT OF MEDICARE ALLOWABLE COSTS REPORTED ON LINE 6 OF PART III |

| Identifier | ReturnReference | Explanation                                                                                                                                                |
|------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART III, LINE 9B WHEN A PATIENT QUALIFIES FOR CHARITY CARE (FINANCIAL ASSISTANCE), NO COLLECTIONS ARE ATTEMPTED ON THESE PATIENTS CHARGES ARE WRITTEN OFF |

| Identifier | ReturnReference | Explanation                                                                                                                                                             |
|------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 2 THE HEALTH CARE NEEDS OF THE COMMUNITIES SERVED ARE ASSESSED BY RESEARCHING VITAL STATISTICS FOUND THROUGH THE CDC AND MISSISSIPPI DEPARTMENT OF HEALTH |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 3 WHEN POSSIBLE, CHARITY CARE IS IDENTIFIED AND APPROVED BEFORE INITIAL ADMISSION WE PROVIDE SOCIAL WORKERS AND OUTREACH NURSES THAT INTERVIEW PATIENTS REGARDING THEIR FINANCIAL RESOURCES AND NEEDS WE ASSIST PATIENTS IN COMPLETING MEDICAID, VR APPLICATIONS WHEN APPLICABLE WE ARE WELL AWARE THAT MOST OF OUR PATIENTS WILL REQUIRE A LIFETIME OF MEDICAL AND FINANCIAL SUPPORT DUE TO THE SEVERITY OF THEIR INJURIES THEREFORE, WE ALSO ASSIST IN DISABILITY APPLICATIONS WITH THE SOCIAL SECURITY ADMINISTRATION |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                               |
|------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 4 OUR ORGANIZATION'S PRIMARY SERVICE AREA IS THE STATE OF MISSISSIPPI, WITH A POPULATION OF 2 9 MILLION PERSONS THE PERCENTAGE OF ADULTS WITH DISABILITIES LIVING IN MS IS 16 7% MISSISSIPPI ALSO HAS THE HIGHEST PERCENTAGE OF PERSONS LIVING IN POVERTY AND OBESITY, POPULATIONS THAT ARE DISPROPORTIONATELY AFFECTED BY DISABLING ILLNESSES AND INJURIES |

| Identifier | ReturnReference | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            |                 | PART VI, LINE 6 METHODIST REHABILITATION CENTER'S COMMUNITY BENEFITS GO WELL BEYOND CLINICAL INPATIENT AND OUTPATIENT REHABILITATION CARE THE CENTER SUPPORTS LIFELONG HEALTH AND LIFESTYLE NEEDS OF DISABLED PERSONS THROUGH RESEARCH, EDUCATION, OUTREACH PROGRAMS, PARTNERSHIPS, ADVOCACY, VOLUNTEERISM AND FINANCIAL SUPPORT OUR FULL COMMUNITY BENEFIT REPORT IS MADE AVAILABLE TO THE PUBLIC ON THE ORGANIZATION'S WEBSITE<br>WWW.METHODISTONLINE.ORG/NEWS/PUBLICATIONS AND IN PRINT UPON REQUEST |



| Identifier | ReturnReference | Explanation                    |
|------------|-----------------|--------------------------------|
|            |                 | PART VI, LINE 7 NOT APPLICABLE |

| Identifier                | ReturnReference | Explanation |
|---------------------------|-----------------|-------------|
| REPORTS FILED WITH STATES | PART VI, LINE 7 | MS          |

Additional Data

Software ID:

Software Version:

EIN: 23-7067206

Name: MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

| Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility<br>(list in order of size, measured by total revenue per facility, from largest to smallest) |                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| How many non-hospital facilities did the organization operate during the tax year? <u>12</u>                                                                                                               |                                                |
| Name and address                                                                                                                                                                                           | Type of Facility<br>(Describe)                 |
| METHODIST ORTHOTICS & PROSTHETICS-CLEVEL<br>804 FIRST STREET<br>CLEVELAND, MS 38732                                                                                                                        | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST ORTHOTICS & PROSTHETICS-FLOWOO<br>ONE LAYFAIR DRIVE SUITE 300<br>FLOWOOD, MS 39232                                                                                                               | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST ORTHOTICS & PROSTHETICS-HATTIE<br>107 FAIRFILED DRIVE STE 10<br>HATTIESBURG, MS 39042                                                                                                            | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST ORTHOTICS & PROSTHETICS-LOUISI<br>1607 LOUISVILLE AVE<br>MONROE, LA 71201                                                                                                                        | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST ORTHOTICS & PROSTHETICS-MERIDI<br>1600 14TH STREET<br>MERIDIAN, MS 39301                                                                                                                         | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST OUTPATIENT REHAB - EAST<br>ONE LAYFAIR DRIVE SUITE 110<br>FLOWOOD, MS 39232                                                                                                                      | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST OUTPATIENT REHAB -FITNESS LADY<br>331 SUNNYBROOK ROAD<br>RIDGELAND, MS 39157                                                                                                                     | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST OUTPATIENT REHAB -RIDGELAND PT<br>670 HIGHWAY 51 STE A<br>RIDGELAND, MS 39157                                                                                                                    | HOSPITAL BASED OUTPATIENT CLINICS              |
| METHODIST PAIN MANAGEMENT<br>ONE LAYFAIR DRIVE SUITE 400<br>FLOWOOD, MS 39232                                                                                                                              | SINGLE SPECIALITY AMBULATORY SURGERY CENTER    |
| METHODIST SPECIALITY CARE CENTER<br>ONE LAYFAIR DRIVE SUITE 500<br>FLOWOOD, MS 39232                                                                                                                       | SKILLED NURSING FACILITY FOR SEVERELY DISABLED |
| METHODIST SPINE & JOINT CENTER<br>ONE LAYFAIR DRIVE SUITE 100<br>FLOWOOD, MS 39232                                                                                                                         | PHYSICIAN BASED CLINIC                         |
| QUEST<br>1910 LAKELAND DRIVE STE C<br>JACKSON, MS 39216                                                                                                                                                    | HOSPITAL BASED OUTPATIENT CLINICS              |

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
MISSISSIPPI METHODIST HOSPITAL &  
REHABILITATION CENTER

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public  
Inspection

Employer identification number  
23-7067206

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

| 1 (a) Name and address of organization or government                       | (b) EIN    | (c) IRC Code section if applicable | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV , appraisal, other) | (g) Description of non-cash assistance | (h) Purpose of grant or assistance                             |
|----------------------------------------------------------------------------|------------|------------------------------------|--------------------------|-----------------------------------|--------------------------------------------------------|----------------------------------------|----------------------------------------------------------------|
| (1) WILSON RESEARCH FOUNDATION1350 E WOODROW WILSON JACKSON,MS 39216       | 64-0752440 | 501(C)(3)                          | 15,000                   |                                   |                                                        |                                        | CONTRIBUTION OF GIFT SHOP'S NET MARGIN ON BEHALF OF VOLUNTEERS |
| (2) MS SOCIETY FOR DISABILITIESPO BOX 4958 JACKSON,MS 39296                | 64-0386410 | 501(C)(3)                          | 5,000                    |                                   |                                                        |                                        | CORPORATE SPONSORSHIP                                          |
| (3) CENTRAL MISSISSIPPI GROWTH FOUNDATIONPO BOX 22548 JACKSON,MS 392252548 | 23-7056135 | 501(C)(6)                          | 5,000                    |                                   |                                                        |                                        | ECONOMIC AND COMMUNITY DEVELOPMENT                             |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |
|                                                                            |            |                                    |                          |                                   |                                                        |                                        |                                                                |

2

Enter total number of section 501(c)(3) and government organizations . . . . .

2

3

Enter total number of other organizations . . . . .

1

Part III

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

| (a)Type of grant or assistance | (b)Number of recipients | (c)Amount of cash grant | (d)Amount of non-cash assistance | (e)Method of valuation (book, FMV, appraisal, other) | (f)Description of non-cash assistance |
|--------------------------------|-------------------------|-------------------------|----------------------------------|------------------------------------------------------|---------------------------------------|
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |
|                                |                         |                         |                                  |                                                      |                                       |

Part IV

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

| Identifier                                 | Return Reference | Explanation                                                                                                                                                                            |
|--------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PROCEDURE FOR MONITORING GRANTS IN THE U S | PART I, LINE 2   | SCHEDULE I, PART I, LINE 2 METHODIST REHABILITATION ONLY DONATES TO NON-PROFIT COMMUNITY MINDED ORGANIZATIONS THAT PROVIDE SUPPORT TO THE COMMUNITY SERVED BY METHODIST REHABILITATION |

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Employer identification number

23-7067206

Part I

Questions Regarding Compensation

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |    |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yes | No |
| 1a | Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div> |     |    |
| 1b | If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |     |    |
| 2  | Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |    |
| 3  | Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>                                                                                                                                                                                                       |     |    |
| 4  | During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |     |    |
| 4a | Receive a severance payment or change-of-control payment from the organization or a related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | No |
| 4b | Participate in, or receive payment from, a supplemental nonqualified retirement plan?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |     | No |
| 4c | Participate in, or receive payment from, an equity-based compensation arrangement?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     | No |
|    | If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |     |    |
|    | Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |    |
| 5  | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |    |
| 5a | The organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     | No |
| 5b | Any related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | No |
|    | If "Yes," to line 5a or 5b, describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |    |
| 6  | For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     |    |
| 6a | The organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |     | No |
| 6b | Any related organization?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |     | No |
|    | If "Yes," to line 6a or 6b, describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     |    |
| 7  | For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |     | No |
| 8  | Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |     | No |
| 9  | If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |     |    |

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

| (A) Name                  |      | (B) Breakdown of W-2 and/or 1099-MISC compensation |                                     |                                     | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|---------------------------|------|----------------------------------------------------|-------------------------------------|-------------------------------------|------------------------------------------------|-------------------------|---------------------------------|------------------------------------------------------------|
|                           |      | (i) Base compensation                              | (ii) Bonus & incentive compensation | (iii) Other reportable compensation |                                                |                         |                                 |                                                            |
| (1) DOBRVIJOE STOKIC MD   | (i)  | 158,950                                            | 0                                   | 0                                   | 10,797                                         | 1,092                   | 170,839                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (2) SAMUEL P GRISSOM MD   | (i)  | 300,000                                            | 102,860                             | 0                                   | 14,088                                         | 1,092                   | 418,040                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (3) MARK A ADAMS          | (i)  | 350,000                                            | 71,079                              | 0                                   | 15,337                                         | 14,517                  | 450,933                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (4) GARY ARMSTRONG        | (i)  | 207,000                                            | 40,748                              | 0                                   | 13,455                                         | 9,022                   | 270,225                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (5) JOSEPH MORETTE        | (i)  | 250,000                                            | 45,198                              | 0                                   | 15,925                                         | 14,247                  | 325,370                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (6) STEVE HOPE            | (i)  | 171,000                                            | 21,090                              | 0                                   | 11,115                                         | 4,794                   | 207,999                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (7) ALYSON JONES MD       | (i)  | 181,546                                            | 0                                   | 0                                   | 12,350                                         | 390                     | 194,286                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (8) BRUCE HIRSHMAN MD     | (i)  | 297,621                                            | 0                                   | 0                                   | 7,152                                          | 630                     | 305,403                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (9) LEON M GRIGORYEV MD   | (i)  | 225,000                                            | 1,539                               | 0                                   | 5,597                                          | 1,134                   | 233,270                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| (10) ZORAYA M PARRILLA MD | (i)  | 265,250                                            | 31,033                              | 0                                   | 6,219                                          | 390                     | 302,892                         | 0                                                          |
|                           | (ii) | 0                                                  | 0                                   | 0                                   | 0                                              | 0                       | 0                               | 0                                                          |
| ( 11 )                    |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 12 )                    |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 13 )                    |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 14 )                    |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 15 )                    |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |
| ( 16 )                    |      |                                                    |                                     |                                     |                                                |                         |                                 |                                                            |

**Part III**   **Supplemental Information**

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

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|



Schedule K  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization  
MISSISSIPPI METHODIST HOSPITAL &  
REHABILITATION CENTER

Employer identification number  
23-7067206

Part I Bond Issues

| (a) Issuer Name                                           | (b) Issuer EIN | (c) CUSIP # | (d) Date Issued | (e) Issue Price | (f) Description of Purpose | (g) Defeased |    | (h) On Behalf of Issuer |    | (i) Pool financing |    |
|-----------------------------------------------------------|----------------|-------------|-----------------|-----------------|----------------------------|--------------|----|-------------------------|----|--------------------|----|
|                                                           |                |             |                 |                 |                            | Yes          | No | Yes                     | No | Yes                | No |
| A MISSISSIPPI HOSPITAL EQUIPMENT AND FACILITIES AUTHORITY | 64-0732320     | 605360NL6   | 08-27-2003      | 7,500,000       | CAPITAL EXPENDITURES       |              | X  | X                       |    |                    | X  |
|                                                           |                |             |                 |                 |                            |              |    |                         |    |                    |    |
|                                                           |                |             |                 |                 |                            |              |    |                         |    |                    |    |
|                                                           |                |             |                 |                 |                            |              |    |                         |    |                    |    |

Part II Proceeds

|    |                                                                                                        | A         |    | B   |    | C   |    | D   |    |
|----|--------------------------------------------------------------------------------------------------------|-----------|----|-----|----|-----|----|-----|----|
| 1  | Amount of bonds retired                                                                                |           |    |     |    |     |    |     |    |
| 2  | Amount of bonds legally defeased                                                                       |           |    |     |    |     |    |     |    |
| 3  | Total proceeds of issue                                                                                | 7,500,000 |    |     |    |     |    |     |    |
| 4  | Gross proceeds in reserve funds                                                                        |           |    |     |    |     |    |     |    |
| 5  | Capitalized interest from proceeds                                                                     |           |    |     |    |     |    |     |    |
| 6  | Proceeds in refunding escrow                                                                           |           |    |     |    |     |    |     |    |
| 7  | Issuance costs from proceeds                                                                           | 285,259   |    |     |    |     |    |     |    |
| 8  | Credit enhancement from proceeds                                                                       |           |    |     |    |     |    |     |    |
| 9  | Working capital expenditures from proceeds                                                             |           |    |     |    |     |    |     |    |
| 10 | Capital expenditures from proceeds                                                                     | 7,214,741 |    |     |    |     |    |     |    |
| 11 | Other spent proceeds                                                                                   |           |    |     |    |     |    |     |    |
| 12 | Other unspent proceeds                                                                                 |           |    |     |    |     |    |     |    |
| 13 | Year of substantial completion                                                                         | 2004      |    |     |    |     |    |     |    |
|    |                                                                                                        | Yes       | No | Yes | No | Yes | No | Yes | No |
| 14 | Were the bonds issued as part of a current refunding issue?                                            |           | X  |     |    |     |    |     |    |
| 15 | Were the bonds issued as part of an advance refunding issue?                                           |           | X  |     |    |     |    |     |    |
| 16 | Has the final allocation of proceeds been made?                                                        | X         |    |     |    |     |    |     |    |
| 17 | Does the organization maintain adequate books and records to support the final allocation of proceeds? | X         |    |     |    |     |    |     |    |

Part III Private Business Use

|   |                                                                                                                            | A   |    | B   |    | C   |    | D   |    |
|---|----------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|   |                                                                                                                            | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 | Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? |     | X  |     |    |     |    |     |    |
| 2 | Are there any lease arrangements that may result in private business use of bond-financed property?                        |     | X  |     |    |     |    |     |    |

Part IIIPrivate Business Use (Continued)

|    |                                                                                                                                                                                                                                      | A   |    | B   |    | C   |    | D   |    |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|    |                                                                                                                                                                                                                                      | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a | Are there any management or service contracts that may result in private business use?                                                                                                                                               |     | X  |     |    |     |    |     |    |
| b  | Are there any research agreements that may result in private business use of bond-financed property?                                                                                                                                 |     | X  |     |    |     |    |     |    |
| c  | Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?                                                 | X   |    |     |    |     |    |     |    |
| 4  | Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government                                                                      |     |    |     |    |     |    |     |    |
| 5  | Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government |     |    |     |    |     |    |     |    |
| 6  | Total of lines 4 and 5                                                                                                                                                                                                               |     |    |     |    |     |    |     |    |
| 7  | Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?                                                                                          |     | X  |     |    |     |    |     |    |

Part IVArbitrage

|    |                                                                                                                                          | A   |    | B   |    | C   |    | D   |    |
|----|------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|
|    |                                                                                                                                          | Yes | No | Yes | No | Yes | No | Yes | No |
| 1  | Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue? |     | X  |     |    |     |    |     |    |
| 2  | Is the bond issue a variable rate issue?                                                                                                 | X   |    |     |    |     |    |     |    |
| 3a | Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?                                     |     | X  |     |    |     |    |     |    |
| b  | Name of provider                                                                                                                         |     |    |     |    |     |    |     |    |
| c  | Term of hedge                                                                                                                            |     |    |     |    |     |    |     |    |
| d  | Was the hedge superintegrated?                                                                                                           |     |    |     |    |     |    |     |    |
| e  | Was a hedge terminated?                                                                                                                  |     |    |     |    |     |    |     |    |
| 4a | Were gross proceeds invested in a GIC?                                                                                                   |     | X  |     |    |     |    |     |    |
| b  | Name of provider                                                                                                                         |     |    |     |    |     |    |     |    |
| c  | Term of GIC                                                                                                                              |     |    |     |    |     |    |     |    |
| d  | Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?                                              |     |    |     |    |     |    |     |    |
| 5  | Were any gross proceeds invested beyond an available temporary period?                                                                   |     | X  |     |    |     |    |     |    |
| 6  | Did the bond issue qualify for an exception to rebate?                                                                                   |     | X  |     |    |     |    |     |    |

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|            |                  |             |
|            |                  |             |
|            |                  |             |

Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
MISSISSIPPI METHODIST HOSPITAL &  
REHABILITATION CENTER

Employer identification number  
  
23-7067206

Part I

Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

| 1 | (a) Name of disqualified person | (b) Description of transaction | (c)<br>Corrected? |    |
|---|---------------------------------|--------------------------------|-------------------|----|
|   |                                 |                                | Yes               | No |
|   |                                 |                                |                   |    |
|   |                                 |                                |                   |    |
|   |                                 |                                |                   |    |
|   |                                 |                                |                   |    |
|   |                                 |                                |                   |    |
|   |                                 |                                |                   |    |
|   |                                 |                                |                   |    |

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

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

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

| (a) Name of interested person and purpose                                               | (b) Loan to or from the organization? |      | (c)Original principal amount | (d)Balance due | (e) In default? |    | (f) Approved by board or committee? |    | (g)Written agreement? |    |
|-----------------------------------------------------------------------------------------|---------------------------------------|------|------------------------------|----------------|-----------------|----|-------------------------------------|----|-----------------------|----|
|                                                                                         | To                                    | From |                              |                | Yes             | No | Yes                                 | No | Yes                   | No |
| (1) ZORAYA M PARRILLA MD<br>ONE TIME LOAN TO<br>PHYSICIAN- RELOCATING TO<br>MISSISSIPPI |                                       | X    | 30,000                       | 15,210         |                 | No |                                     | No | Yes                   |    |
| (2) MARK ADAMS<br>EXECUTIVE LEVEL LIFE<br>INSURANCE BENEFIT                             |                                       | X    | 200,000                      | 200,000        |                 | No | Yes                                 |    | Yes                   |    |
|                                                                                         |                                       |      |                              |                |                 |    |                                     |    |                       |    |
|                                                                                         |                                       |      |                              |                |                 |    |                                     |    |                       |    |
|                                                                                         |                                       |      |                              |                |                 |    |                                     |    |                       |    |
|                                                                                         |                                       |      |                              |                |                 |    |                                     |    |                       |    |
| Total . . . . . \$ 215,210                                                              |                                       |      |                              |                |                 |    |                                     |    |                       |    |

Part III

Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction | (d) Description of transaction                                                                                                                                           | (e) Sharing of organization's revenues? |    |
|-------------------------------|-----------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----|
|                               |                                                                 |                           |                                                                                                                                                                          | Yes                                     | No |
| (1) WILLIAM A RAY             | BOARD TRUSTEE                                                   | 0                         | RAY IS PRES/CEO OF BANKPLUS BANKPLUS PROVIDES FINANCIAL ADVICE ON THE RETIREMENT ACCOUNT FOR MMRC IN ITS ORDINARY COURSE OF BUSINESS                                     |                                         | No |
| (2) TISH HUGHES               | BOARD TRUSTEE                                                   | 0                         | HUGHES IS SR VP IN PRIVATE BANKING WITH TRUSTMARK BANK MMRC HAS SOME INVESTMENTS HELD BY TRUSTMARK, AS WELL AS A LINE OF CREDIT IN THE ORDINARY COURSE OF THEIR BUSINESS |                                         | No |
|                               |                                                                 |                           |                                                                                                                                                                          |                                         |    |
|                               |                                                                 |                           |                                                                                                                                                                          |                                         |    |
|                               |                                                                 |                           |                                                                                                                                                                          |                                         |    |
|                               |                                                                 |                           |                                                                                                                                                                          |                                         |    |

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

| Identifier                                                | Return Reference                              | Explanation                                                                                                                                                                                   |
|-----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS | ADDITIONAL INFORMATION ON THE MARK ADAMS LOAN | AN EXECUTIVE LEVEL LIFE INSURANCE BENEFIT WHEREBY THE PREMIUM PAYMENTS FROM THE EMPLOYER ARE CONSIDERED A LOAN AND THE EXECUTIVE'S INSURANCE POLICY PROCEEDS ARE THE COLLATERAL FOR REPAYMENT |

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public  
Inspection

|                                                                                              |                                                         |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Name of the organization</b><br>MISSISSIPPI METHODIST HOSPITAL &<br>REHABILITATION CENTER | <b>Employer identification number</b><br><br>23-7067206 |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------|

| Identifier                            | Return Reference | Explanation                                                                                                                                                                                                                                                                   |
|---------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FORM 990, PART VI, SECTION B, LINE 11 |                  | THE CONTROLLER AND CFO ARE RESPONSIBLE FOR PREPARATION OF THE 990. THEY UTILIZE A CPA FIRM TO COMPLETE THE FORM. THE PRESIDENT AND CEO REVIEW, SCRUTINIZE, AND ULTIMATELY APPROVE THE FORM 990 FOR FILING. CEO REVIEWS THE COMPLETED FORM 990 WITH THE CHAIRMAN OF THE BOARD. |

| Identifier | Return Reference                                | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990,<br>PART VI,<br>SECTION B, LINE<br>12C | AS THE BOARD CONSIDERS ITS BUSINESS RELATIONSHIPS, CONTRACT APPROVALS AND OTHER TRANSACTIONS, THE PRESENCE OF OR ANY POTENTIAL CONFLICT OF INTEREST (AS DEFINED BY THE BY LAWS) IS DISCLOSED AND DISCUSSED A CONFLICT OF INTEREST TRANSACTION MAY BE APPROVED OR AUTHORIZED ONLY BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE BOARD OF TRUSTEES WHO HAVE NO DIRECT OR INDIRECT INTEREST IN THE TRANSACTION IN MATTERS WHERE A BOARD MEMBER HAS A CONFLICT OF INTEREST, THE BOARD MEMBER IS RECUSED FROM DISCUSSION AND VOTING |

| Identifier | Return Reference                               | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990,<br>PART VI,<br>SECTION B,<br>LINE 15 | EXECUTIVE COMPENSATION FOR METHODIST REHABILITATION CENTER (MRC) IS -OVERSEEN BY THE PERSONNEL COMMITTEE OF THE BOARD OF TRUSTEES THAT IS DESIGNATED FOR THIS PURPOSE, THAT IS INDEPENDENT OF CONFLICTS OF INTERESTS, AND THAT FOLLOWS THE HIGHEST ETHICAL STANDARDS AND BUSINESS PRACTICES -ALIGNED TO ORGANIZATIONAL PERFORMANCE -GUIDED BY INDEPENDENT COUNSEL WITH EXPERTISE IN EXECUTIVE COMPENSATION TO ENSURE THAT MRC IS COMPARABLE TO TRENDS AND PRACTICES OF SIMILAR SIZED NOT-FOR-PROFIT HOSPITALS EXECUTIVE COMPENSATION IS A GOVERNANCE RESPONSIBILITY OF THE BOARD OF TRUSTEES THAT IS FREE FROM MANAGEMENT INFLUENCE. IT SETS THE TONE FOR THE ENTIRE ORGANIZATION AND REFLECTS ITS VALUES EMPLOYMENT OF AN INDEPENDENT CONSULTANT WITH EXPERTISE IN HEALTHCARE EXECUTIVE COMPENSATION, IS AN IMPORTANT CONTROL TO ENSURE A WELL DESIGNED, FAIRLY IMPLEMENTED AND TRANSPARENT PROGRAM METHODIST REHABILITATION CENTER'S EXECUTIVE COMPENSATION DETERMINATION PROCESS -THE BOARD CHARTERS AN INDEPENDENT COMMITTEE (PERSONNEL COMMITTEE) -THE PERSONNEL COMMITTEE, AS NEEDED, HIRES AND DIRECTLY SUPERVISES THE WORK OF THE CONSULTANT -THE PERSONNEL COMMITTEE HAS A TOTAL COMPENSATION PHILOSOPHY (PAY AND BENEFITS) -THE CONSULTANT IS INDEPENDENT AND USES APPROPRIATE DATA FOR ANALYSIS AND COMPARISON WHEN A CONSULTANT IS NOT NECESSARY, OBJECTIVE COMPENSATION DATA IS PURCHASED AND UTILIZED IN THE DECISION -THE PERSONNEL COMMITTEE MAKES DETERMINATIONS IN EXECUTIVE SESSION -THE PERSONNEL COMMITTEE MINUTES REFLECT THE DECISION-MAKING PROCESS -ALL APPROPRIATE TAX FORMS ARE FULLY COMPLETED AND SUBMITTED |

| Identifier | Return Reference                         | Explanation                                                                                                                                          |
|------------|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | FORM 990, PART VI,<br>SECTION C, LINE 19 | METHODIST REHABILITATION MAKES THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST<br>POLICY, OR FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST |



| Identifier                             | Return Reference          | Explanation                                                                                           |
|----------------------------------------|---------------------------|-------------------------------------------------------------------------------------------------------|
| CHANGES IN NET ASSETS OR FUND BALANCES | FORM 990, PART XI, LINE 5 | NET UNREALIZED GAINS ON INVESTMENTS 1,820,201 ROUNDING 2 TOTAL TO FORM 990, PART XI, LINE 5 1,820,203 |

| Identifier      | Return Reference           | Explanation                                                                                                           |
|-----------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------|
| AUDIT COMMITTEE | FORM 990, PART IX, LINE 2C | AUDIT COMMITTEE'S PROCESS FOR AUDIT OVERSIGHT AND SELECTION OF INDEPENDENT ACCOUNTANT HAS NOT CHANGED FROM PRIOR YEAR |

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
MISSISSIPPI METHODIST HOSPITAL &  
REHABILITATION CENTER

Employer identification number  
  
23-7067206

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

| (a)<br>Name, address, and EIN of disregarded entity                                                 | (b)<br>Primary activity                   | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>Direct controlling entity                     |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------|---------------------|---------------------------|------------------------------------------------------|
| (1) PAIN MANAGEMENT CENTER LLC<br>1350 EAST WOODROW WILSON DRIVE<br>JACKSON, MS 39216<br>72-1367775 | COMPREHENSIVE PAIN<br>MANAGEMENT SERVICES | MS                                               | 0                   | 0                         | MISSISSIPPI METHODIST<br>HOSPITAL AND REHABILITATION |
|                                                                                                     |                                           |                                                  |                     |                           |                                                      |
|                                                                                                     |                                           |                                                  |                     |                           |                                                      |
|                                                                                                     |                                           |                                                  |                     |                           |                                                      |
|                                                                                                     |                                           |                                                  |                     |                           |                                                      |
|                                                                                                     |                                           |                                                  |                     |                           |                                                      |
|                                                                                                     |                                           |                                                  |                     |                           |                                                      |

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

| (a)<br>Name, address, and EIN of related organization                                                           | (b)<br>Primary activity                                                   | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512(b)(13) controlled organization |    |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------|----------------------------|-----------------------------------------------------|----------------------------------|---------------------------------------------------|----|
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  | Yes                                               | No |
| (1) THE WILSON RESEARCH FOUNDATION<br><br>1350 EAST WOODROW WILSON DRIVE<br><br>JACKSON, MS 39216<br>64-0752440 | TO SUPPORT MISSISSIPPI<br>METHODIST HOSPITAL AND<br>REHABILITATION CENTER | MS                                               | 501(C)(3)                  | 509(A)(3) TYPE II                                   |                                  | Yes                                               |    |
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  |                                                   |    |
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  |                                                   |    |
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  |                                                   |    |
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  |                                                   |    |
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  |                                                   |    |
|                                                                                                                 |                                                                           |                                                  |                            |                                                     |                                  |                                                   |    |

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

| (a)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax<br>under sections 512-<br>514) | (f)<br>Share of total income | (g)<br>Share of end-of-year<br>assets | (h)<br>Disproprtionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>ownership |
|----------------------------------------------------------|-------------------------|--------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------|----------------------------------------|----|-------------------------------------------------------------------------|-------------------------------------------|----|--------------------------------|
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       | Yes                                    | No |                                                                         | Yes                                       | No |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |
|                                                          |                         |                                                              |                                     |                                                                                                       |                              |                                       |                                        |    |                                                                         |                                           |    |                                |

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

| (a)<br>Name, address, and EIN of related organization                                                            | (b)<br>Primary activity                         | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity                     | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|------------------------------|------------------------------------------|--------------------------------|
| (1) SELECT PHYSICIAN MANAGEMENT SERVICES INC<br>1350 EAST WOODROW WILSON DRIVE<br>JACKSON, MS39216<br>64-0808219 | PHYSICIAN<br>PRACTICE<br>MANAGEMENT<br>SERVICES | MS                                                        | MISSISSIPPI<br>METHODIST HOSPITAL<br>AND REHABILITATION | C                                                      |                              | 1,007                                    | 100 000 %                      |
|                                                                                                                  |                                                 |                                                           |                                                         |                                                        |                              |                                          |                                |
|                                                                                                                  |                                                 |                                                           |                                                         |                                                        |                              |                                          |                                |
|                                                                                                                  |                                                 |                                                           |                                                         |                                                        |                              |                                          |                                |
|                                                                                                                  |                                                 |                                                           |                                                         |                                                        |                              |                                          |                                |
|                                                                                                                  |                                                 |                                                           |                                                         |                                                        |                              |                                          |                                |
|                                                                                                                  |                                                 |                                                           |                                                         |                                                        |                              |                                          |                                |

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

Yes

No

No

No

No

Yes

No

Yes

No

No

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

| (a)<br>Name of other organization  | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount involved | (d)<br>Method of determining amount<br>involved |
|------------------------------------|---------------------------------|------------------------|-------------------------------------------------|
| (1) THE WILSON RESEARCH FOUNDATION | B                               | 15,000                 |                                                 |
| (2) THE WILSON RESEARCH FOUNDATION | C                               | 745,000                |                                                 |
| (3) THE WILSON RESEARCH FOUNDATION | P                               | 142,336                |                                                 |
| (4) THE WILSON RESEARCH FOUNDATION | N                               | 137,386                |                                                 |
| (5)                                |                                 |                        |                                                 |
| (6)                                |                                 |                        |                                                 |

Schedule R (Form 990) 2010

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

| Identifier | Return Reference | Explanation |
|------------|------------------|-------------|
|------------|------------------|-------------|

**METHODIST REHABILITATION  
CENTER, INC. AND SUBSIDIARIES**  
Jackson, Mississippi

**Audited Consolidated Financial Statements**  
Years Ended June 30, 2011 and 2010



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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Methodist Rehabilitation Center, Inc and Subsidiaries  
Jackson, Mississippi

We have audited the accompanying consolidated statements of financial position of Methodist Rehabilitation Center, Inc and Subsidiaries (a not-for-profit organization) as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Methodist Rehabilitation Center, Inc and Subsidiaries as of June 30, 2011 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Ridgeland, Mississippi  
October 25, 2011

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Financial Position  
June 30, 2011 and 2010

|                                                                                                                     | 2011          | 2010          |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>ASSETS</b>                                                                                                       |               |               |
| Current assets                                                                                                      |               |               |
| Cash and cash equivalents                                                                                           | \$ 2,894,025  | \$ 1,169,141  |
| Patient accounts receivable, net of allowance for doubtful<br>accounts of \$1,353,000 and \$1,648,000, respectively | 7,782,528     | 8,008,526     |
| Assets limited as to use, current                                                                                   | 2,724,795     | 2,608,049     |
| Bequests receivable                                                                                                 | 799,568       | -             |
| Other current assets                                                                                                | 2,028,534     | 1,645,594     |
| Total current assets                                                                                                | 16,229,450    | 13,431,310    |
| Assets limited as to use, noncurrent                                                                                | 8,936,053     | 8,469,696     |
| Investments                                                                                                         | 13,228,635    | 14,476,572    |
| Investments in nonconsolidated entities                                                                             | 21,239,864    | 18,835,713    |
| Property and equipment, net                                                                                         | 24,654,947    | 23,450,832    |
| Beneficial interest in charitable remainder trust                                                                   | 453,694       | -             |
| Other assets                                                                                                        | 881,383       | 1,248,368     |
| Total assets                                                                                                        | \$ 85,624,026 | \$ 79,912,491 |
| <b>LIABILITIES AND NET ASSETS</b>                                                                                   |               |               |
| Current liabilities                                                                                                 |               |               |
| Current maturities of long-term debt                                                                                | \$ 2,700,000  | \$ 2,560,000  |
| Line of credit                                                                                                      | 2,000,000     | 800,000       |
| Accounts payable                                                                                                    | 859,696       | 1,201,624     |
| Accrued salaries and wages                                                                                          | 772,071       | 678,812       |
| Accrued vacation payable                                                                                            | 1,186,974     | 1,109,076     |
| Accrued interest payable                                                                                            | 24,795        | 48,049        |
| Third party settlements                                                                                             | 271,749       | 369,955       |
| Other accrued expenses                                                                                              | 606,252       | 620,480       |
| Total current liabilities                                                                                           | 8,421,537     | 7,387,996     |
| Long-term debt, less current maturities                                                                             | 5,338,396     | 8,035,220     |
| Total liabilities                                                                                                   | 13,759,933    | 15,423,216    |
| Net assets                                                                                                          |               |               |
| Unrestricted                                                                                                        | 70,588,508    | 63,529,685    |
| Temporarily restricted                                                                                              | 1,275,585     | 959,590       |
| Total net assets                                                                                                    | 71,864,093    | 64,489,275    |
| Total liabilities and net assets                                                                                    | \$ 85,624,026 | \$ 79,912,491 |

See accompanying notes

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Operations  
Years Ended June 30, 2011 and 2010

|                                                      | 2011          | 2010          |
|------------------------------------------------------|---------------|---------------|
| Unrestricted revenues, gains and other support       |               |               |
| Net patient revenue                                  | \$ 48,099,897 | \$ 56,325,922 |
| Research grants                                      | 25,300        | 70,738        |
| Other operating revenue                              | 1,383,039     | 1,204,381     |
| Total unrestricted revenues, gains and other support | 49,508,236    | 57,601,041    |
| Expenses                                             |               |               |
| Salaries, wages and benefits                         | 32,523,522    | 32,037,476    |
| Supplies and other                                   | 13,634,350    | 13,378,320    |
| Interest                                             | 434,214       | 525,810       |
| Provision for uncollectible accounts                 | 594,257       | 892,677       |
| Depreciation and amortization                        | 2,849,291     | 3,057,960     |
| Impairment of goodwill                               | -             | 1,581,975     |
| Total expenses                                       | 50,035,634    | 51,474,218    |
| Operating income (loss)                              | (527,398)     | 6,126,823     |
| Nonoperating revenue                                 |               |               |
| Investment income, net                               | 2,966,467     | 1,298,418     |
| Unrestricted contributions                           | 1,087,348     | 185,301       |
| Equity in net income of nonconsolidated entities     | 3,369,151     | 1,592,448     |
| Total nonoperating revenue                           | 7,422,966     | 3,076,167     |
| Excess of revenue over expenses                      | 6,895,568     | 9,202,990     |
| Net assets released from restriction                 | 163,255       | 12,923        |
| Increase in unrestricted net assets                  | \$ 7,058,823  | \$ 9,215,913  |

See accompanying notes

**METHODIST REHABILITATION CENTER, INC.****AND SUBSIDIARIES**

## Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2011 and 2010

|                                               | 2011          | 2010          |
|-----------------------------------------------|---------------|---------------|
| Unrestricted net assets                       |               |               |
| Increase in unrestricted net assets           | \$ 7,058,823  | \$ 9,215,913  |
| Temporarily restricted net assets             |               |               |
| Contributions                                 | 479,250       | 993,275       |
| Pledge discount                               | -             | (33,685)      |
| Net assets released from restrictions         | (163,255)     | (12,923)      |
| Increase in temporarily restricted net assets | 315,995       | 946,667       |
| Increase in net assets                        | 7,374,818     | 10,162,580    |
| Net assets at beginning of year               |               |               |
| Foundation unrestricted net assets            | 3,624,552     | 3,135,263     |
| Foundation temporarily restricted net assets  | 959,590       | 12,923        |
| Hospital net assets                           | 59,905,133    | 51,178,509    |
| Total net assets at beginning of year         | 64,489,275    | 54,326,695    |
| Net assets at end of year                     | \$ 71,864,093 | \$ 64,489,275 |

See accompanying notes

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows  
Years Ended June 30, 2011 and 2010

|                                                                                            | 2011         | 2010          |
|--------------------------------------------------------------------------------------------|--------------|---------------|
| Cash flows from operating activities                                                       |              |               |
| Increase in net assets                                                                     | \$ 7,374,818 | \$ 10,162,580 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |              |               |
| Amortization of bond discount                                                              | 3,176        | 4,784         |
| Depreciation and amortization                                                              | 2,849,291    | 3,057,960     |
| Provision for uncollectible accounts                                                       | 594,257      | 892,677       |
| Impairment of goodwill                                                                     | -            | 1,581,975     |
| Net realized and unrealized gain on investments                                            | (2,492,951)  | (883,014)     |
| Equity in net income of nonconsolidated affiliates                                         | (3,369,151)  | (1,592,448)   |
| Changes in assets and liabilities                                                          |              |               |
| Patient and other accounts receivable                                                      | (368,259)    | (1,876,162)   |
| Other receivables                                                                          | -            | 12,923        |
| Third-party payor settlements                                                              | (98,206)     | 116,205       |
| Bequests receivable                                                                        | (799,568)    | -             |
| Beneficial interest in charitable remainder trust                                          | (453,694)    | -             |
| Other assets                                                                               | (49,246)     | (744,313)     |
| Accounts payable                                                                           | (341,928)    | 175,223       |
| Accrued salaries, wages and vacation payable                                               | 171,157      | 68,990        |
| Accrued interest                                                                           | (23,254)     | (32,373)      |
| Other accrued expenses                                                                     | (14,228)     | 170,537       |
| Net cash provided by operating activities                                                  | 2,982,214    | 11,115,544    |
| Cash flows from investing activities                                                       |              |               |
| Purchase of property and equipment                                                         | (4,020,115)  | (1,005,889)   |
| Purchases of equity interest in nonconsolidated entities                                   | -            | (3,700,000)   |
| Distributions of equity interest in nonconsolidated entities                               | 965,000      | -             |
| Purchases of investments                                                                   | (2,922,107)  | (12,832,461)  |
| Sales of investments                                                                       | 6,079,892    | 8,126,384     |
| Consolidation of Foundation                                                                | -            | 104,299       |
| Net cash provided (used) by investing activities                                           | 102,670      | (9,307,667)   |
| Cash flows from financing activities                                                       |              |               |
| Draws on line of credit, net                                                               | 1,200,000    | 300,000       |
| Principal payments on long-term debt                                                       | (2,560,000)  | (2,430,000)   |
| Net cash used by financing activities                                                      | (1,360,000)  | (2,130,000)   |
| Net increase (decrease) in cash and cash equivalents                                       | 1,724,884    | (322,123)     |
| Cash and cash equivalents, beginning of year                                               | 1,169,141    | 1,491,264     |
| Cash and cash equivalents, end of year                                                     | \$ 2,894,025 | \$ 1,169,141  |
| Supplemental disclosure of cash flow information                                           |              |               |
| Cash paid for interest                                                                     | \$ 457,468   | \$ 558,183    |

See accompanying notes

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Organization and Summary of Significant Accounting Policies**

Organization

Methodist Rehabilitation Center, Inc and Subsidiaries (the "Hospital") was organized as a not-for-profit corporation under the laws of the State of Mississippi for the purpose of constructing and equipping a comprehensive rehabilitation hospital. The Hospital, located in Jackson, Mississippi is sponsored by the United Methodist Church in cooperation with the Vocational Rehabilitation Division, Mississippi State Department of Education and the University of Mississippi Medical Center.

The Hospital provides comprehensive medical rehabilitation programs for people with spinal cord and brain injuries, stroke and other neurological and orthopedic disorders and treats patients from all of Mississippi's 82 counties and from neighboring states.

The Hospital operates Methodist Specialty Care Center (the "Center"), a department of the Hospital, located in Flowood, Mississippi, which provides long-term specialized care for severely disabled patients whose medical needs are too complex for traditional nursing homes.

Effective June 1, 2010, the Hospital began operating Pain Management Center ("Pain") as a department of the Hospital. Pain is a clinic that provides a goal oriented approach to the management of chronic pain through physical, occupational and behavioral therapies combined with non-surgical intervention.

Principles of Consolidation

The consolidated financial statements of the Hospital include the accounts of

- Select Physician Management Services, Inc ("Select") – a wholly-owned subsidiary, is a for profit corporation whose purpose is managing certain physician practices
- Pain Management Center, LLC ("Pain") – a wholly-owned subsidiary as of June 30, 2009, which was converted to a department of the Hospital effective June 1, 2010
- The Wilson Research Foundation (the "Foundation") – a not-for-profit organization created and operated exclusively to assist in the advancement of clinical, educational and medical rehabilitation research by solicitation of gifts for the benefit of Methodist Rehabilitation Center, Inc and other healthcare organizations located in the State of Mississippi. Effective July 1, 2009, the Foundation is consolidated into the consolidated financial statements of the Hospital.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Acquisition of Pain Management Center, LLC

An 85 percent ownership interest in Pain was acquired by the Hospital as of January 1, 2007. The acquisition was completed through a purchase of interest from the remaining members for

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Continued**

cash consideration totaling \$1,680,000 and assumption of certain Pain liabilities. On July 31, 2008, the Hospital purchased the remaining 15 percent of Pain from the former members for cash consideration totaling \$420,000. The acquisition was accounted for as a purchase under the requirements of Accounting Principles Board Opinion No. 16, *Business Combinations*. The results of Pain's operations are included in the consolidated financial statements for 2010. Effective June 1, 2010, Pain was converted to an operational department of the Hospital.

Goodwill

The excess of purchase price over the fair values of assets acquired, \$1,667,090, was assigned to goodwill. The goodwill is accounted for under Accounting Principles Board Opinion No. 17 ("APB 17"), *Intangible Assets*, and is being amortized on a straight-line basis over the estimated useful life of 40 years. Goodwill is tested for impairment as circumstances arise. At June 30, 2010, management evaluated goodwill for impairment. Due to the loss of key personnel, Pain experienced significant operating losses. The loss of key personnel is significant enough that management does not believe the goodwill is recoverable and therefore has determined that the recorded goodwill is fully impaired. As a result, there was a charge to the Hospital's consolidated statements of operations in the amount of \$1,581,975 for the year ended June 30, 2010.

The following is a summary of significant accounting policies:

Basis of Preparation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The most sensitive estimates included in these consolidated financial statements relate to contractual discounts under third-party payor arrangements and the allowance for doubtful accounts receivable. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near term.



**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Continued**

Cash and Cash Equivalents

Cash and cash equivalents include investments in liquid debt instruments with original maturities of three months or less, that are not limited as to use by the Board of Trustees or third parties. The carrying value of cash and cash equivalents approximates market value.

Patient Accounts Receivable

Patient accounts receivable are reported at net realizable value, after deduction of allowances for estimated uncollectible accounts. The estimated allowance for uncollectible accounts is based on historical losses and an analysis of currently outstanding amounts. This account is generally increased by charges to a provision for uncollectible accounts and decreased by write-offs of accounts determined by management to be uncollectible.

Investments

Investments in marketable equity and debt securities are measured at fair value. Investments in non-consolidated entities are recorded based on the equity method. Investment income or loss (including realized gains and losses on investments, interest and dividends), is included in the excess of revenues over expenses unless the income or loss is restricted by donor or by law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities. Management considers all investments to be trading securities.

Assets Limited as to Use

Assets limited as to use principally include amounts held by trustees under indenture agreements and designated assets set aside by the Board of Trustees (the "Board") for future capital improvements or operating activities, over which the Board retains control and may at its discretion subsequently use for other purposes. The portion of the assets held by the bond trustee, which will be used to pay current liabilities, is classified as a current asset.

Inventories

Inventories, which consist primarily of medical supplies and drugs, are valued at the lower of cost or market. Cost is determined using the first-in, first-out and average cost methods. Inventories are included in other current assets on the consolidated statements of financial position.

Prepaid Expenses and Deferred Charges

Prepaid expenses are amortized over the estimated period of future benefit, generally on a straight-line basis. Deferred financing costs and bond discounts are amortized over the term of

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Continued**

the related debt on the interest method The unamortized amount of bond discounts is included in the balance of the outstanding debt

Bequests

The Hospital recognizes bequests as support when the wills have passed probate and the amount is certain

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of receipt Costs incurred which do not substantially increase the useful life of an asset are expensed as repair and maintenance expense Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets There was no capitalization of such costs for the years ended June 30, 2011 or 2010, respectively

Impairment of Long-Lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets Assets to be disposed of are reported at the lower of the carrying amount of fair value less costs to sell

Compensated Absences

Hospital policy is to compensate employees for absences due to earned vacation and sick leave Accumulated vacation pay is accrued at the balance sheet date because it accumulates and is payable after one year of service upon termination of employment Sick pay accrues but is not reflected as a liability because it is not payable upon termination of employment

Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or for a specific purpose Uncollected unrestricted contributions are reflected in temporarily restricted net assets

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Continued**

At June 30, 2011, temporarily restricted net assets consisted of pledges expected to be received over the next 4 years, discounted at a range from 2.81 – 3.22 percent, a contribution that has been received but that is restricted for a specific purpose, as well as the Foundation's beneficial interest in charitable remainder trust, as follows

|                                                   |                          |
|---------------------------------------------------|--------------------------|
| 2012                                              | \$ 329,270               |
| 2013                                              | 163,000                  |
| 2014                                              | 168,000                  |
| 2015                                              | 153,000                  |
|                                                   | <hr/> 813,270            |
| Less Discount                                     | (31,379)                 |
| Temporarily restricted cash contribution          | 40,000                   |
| Beneficial interest in charitable remainder trust | 453,694                  |
|                                                   | <hr/> \$ 1,275,585 <hr/> |

Pledges receivable are recorded as other assets, with the current portion recorded in other current assets

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The primary third-party programs include Medicare and Medicaid, which account for a significant amount of the Hospital's revenue. The laws and regulations under which Medicare and Medicaid programs operate are complex, and are subject to interpretation and frequent changes. As part of operating under these programs, there is a possibility that government authorities may review the Hospital's compliance with these laws and regulations. Such review may result in adjustments to program reimbursement previously received and subject the Hospital to fines and penalties. Although no assurance can be given, management believes it has complied with the requirements of these programs.

Financial Assistance

The Hospital provides health care without charge or at amounts significantly less than its established rates to patients who meet certain criteria under its financial assistance policy.

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Continued**

Because the Hospital does not pursue collection of these amounts, the Hospital does not report these amounts as revenue or accounts receivable in the accompanying consolidated financial statements

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations and changes in unrestricted net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying consolidated financial statements.

For contributions of long-lived assets or of cash and other assets restricted to the purchase of long-lived assets, for which donors have not expressly stipulated how long the long-lived asset must be used, the Hospital has adopted an accounting policy of implying time restrictions on the use of such contributed assets that expire over the assets' expected useful lives.

Advertising

Advertising and program costs are charged to expense as incurred. Advertising expense for the years ended June 30, 2011 and 2010 was approximately \$101,000 and \$173,000, respectively.

Income Taxes

The Hospital and Foundation are not-for-profit corporations and have been recognized as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Select is subject to income taxes, but has historically had cumulative net operating losses. During 2010, Pain filed a partnership income tax return whereby the members separately accounted for their prorata share of income, deductions, losses and credits. As a result, no provision for income taxes had been recognized in the accompanying consolidated financial statements.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 1. Continued**

The Hospital had no significant uncertain tax positions at the date of adoption or at June 30, 2010. Accordingly, the adoption did not have a material effect on the Hospital's financial position or changes in net assets. If interest and penalties are incurred related to uncertain tax positions, such amounts would be recognized in income tax expense. Tax periods for all fiscal years after 2007 remain open to examination by the federal and state taxing jurisdictions to which the Hospital is subject.

Functional Expense Classification

Expenses are not identified as program services, management and general and fundraising expenses in these consolidated financial statements because substantially all expenses were incurred for the provision of health care services by the Hospital and are considered program services.

Excess of Revenue Over Expenses

The consolidated statement of operations and changes in unrestricted net assets includes excess of revenue over expenses. Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include unrealized and realized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets).

**Note 2. Fair Value Measurements**

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820") defines fair value, establishes a hierarchical disclosure for measuring fair value and requires expanded disclosures about fair value measurements. The provisions of this statement apply to all financial instruments that are being measured and reported on a fair value basis.

Financial assets and liabilities recorded on the consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2. Continued**

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments or derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation

The following table represents the Hospital's fair value hierarchy for its financial assets, and changes therein, measured at fair value on a recurring basis as of and for the year ended June 30, 2011 and 2010

| <b>Fair Value Measurements at June 30, 2011</b>         |                                                                                       |                                                                      |                                                              |                                       |
|---------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------|
|                                                         | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total at<br/>June 30,<br/>2010</b> |
| Investments                                             |                                                                                       |                                                                      |                                                              |                                       |
| Money market funds                                      | \$ 44,274                                                                             | \$ -                                                                 | \$ -                                                         | \$ 44,274                             |
| Mutual funds                                            | 5,604,432                                                                             | 3,614,486                                                            | -                                                            | 9,218,918                             |
| Bonds                                                   | -                                                                                     | 629,700                                                              | -                                                            | 629,700                               |
| U S securities                                          | 4,535,743                                                                             | -                                                                    | -                                                            | 4,535,743                             |
|                                                         | 10,184,449                                                                            | 4,244,186                                                            | -                                                            | 14,428,635                            |
| Assets limited as to use                                |                                                                                       |                                                                      |                                                              |                                       |
| Money market funds                                      | 2,884,450                                                                             | -                                                                    | -                                                            | 2,884,450                             |
| Mutual funds                                            | 7,576,398                                                                             | -                                                                    | -                                                            | 7,576,398                             |
|                                                         | 10,460,848                                                                            | -                                                                    | -                                                            | 10,460,848                            |
| Beneficial interest in<br>charitable remainder<br>trust | -                                                                                     | -                                                                    | 453,694                                                      | 453,694                               |
| Total                                                   | \$ 20,645,297                                                                         | \$ 4,244,186                                                         | \$ 453,694                                                   | \$ 25,343,177                         |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2. Continued**

| <b>Fair Value Measurements at June 30, 2010</b> |                                                                                       |                                                                      |                                                              |                                       |
|-------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------|
|                                                 | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total at<br/>June 30,<br/>2009</b> |
| Investments                                     |                                                                                       |                                                                      |                                                              |                                       |
| Money market funds                              | \$ 129,706                                                                            | \$ -                                                                 | \$ -                                                         | \$ 129,706                            |
| Mutual funds                                    | 9,403,070                                                                             | 2,051,407                                                            | -                                                            | 11,454,477                            |
| Bonds                                           | -                                                                                     | 1,223,199                                                            | -                                                            | 1,223,199                             |
| U S securities                                  | 2,593,539                                                                             | 275,651                                                              | -                                                            | 2,869,190                             |
|                                                 | 12,126,315                                                                            | 3,550,257                                                            | -                                                            | 15,676,572                            |
| Assets limited as to use                        |                                                                                       |                                                                      |                                                              |                                       |
| Money market funds                              | 2,821,450                                                                             | -                                                                    | -                                                            | 2,821,450                             |
| Mutual funds                                    | 7,056,295                                                                             | -                                                                    | -                                                            | 7,056,295                             |
|                                                 | 9,877,745                                                                             | -                                                                    | -                                                            | 9,877,745                             |
| <b>Total</b>                                    | <b>\$ 22,004,060</b>                                                                  | <b>\$ 3,550,257</b>                                                  | <b>\$ -</b>                                                  | <b>\$ 25,554,317</b>                  |

Money market funds, mutual funds and U S securities were measured at fair value using quoted market prices. They were classified as Level 1 as they trade in an active market for which closing prices are readily available.

The Foundation holds investments in Fidelity and Vanguard funds at June 30, 2011 and 2010. The fair value of the Foundation's investment is based on its pro rata share of every security that is purchased for the fund and therefore is considered a Level 2 item.

The fair value of the Foundation's beneficial interest in remainder trust is determined by calculating the present value of expected cash flows over the term of the underlying agreements. A discount rate of 4 percent was used to calculate the present value.

**Note 3. Assets Limited as to Use**

Assets limited as to use consisted of the following as of June 30, 2011 and 2010:

|                                                 | <b>2011</b>      | <b>2010</b>      |
|-------------------------------------------------|------------------|------------------|
| Under indenture agreement, held by bond trustee |                  |                  |
| Debt service reserve fund                       | \$ 2,503,784     | \$ 2,524,045     |
| Interest fund                                   | 13,524           | 27,388           |
| Principal fund                                  | 208,089          | 222,543          |
|                                                 | <u>2,725,397</u> | <u>2,773,976</u> |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 3. Continued**

|                                             | <b>2011</b>  | <b>2010</b>  |
|---------------------------------------------|--------------|--------------|
| Internally designated                       |              |              |
| By Board for future capital improvements    | \$ 7,735,451 | \$ 7,103,769 |
| By Board for future malpractice deductibles | 1,200,000    | 1,200,000    |
| Total assets limited as to use              | 11,660,848   | 11,077,745   |
| Less assets limited as to use required for  |              |              |
| Current liabilities                         | 2,724,795    | 2,608,049    |
| Noncurrent assets limited as to use         | \$ 8,936,053 | \$ 8,469,696 |

The composition of assets limited as to use consisted of the following types of investments as of June 30, 2011 and 2010

|                                                 | <b>2011</b>   | <b>2010</b>   |
|-------------------------------------------------|---------------|---------------|
| Money market funds                              | \$ 2,884,450  | \$ 2,821,450  |
| Mutual funds                                    | 7,576,398     | 7,056,295     |
|                                                 | 10,460,848    | 9,877,745     |
| Restricted by Board for malpractice deductibles | 1,200,000     | 1,200,000     |
| Total assets limited as to use                  | \$ 11,660,848 | \$ 11,077,745 |

The debt service fund is maintained at an amount at least equal to the maximum annual debt service requirement (as defined) in any one year. The interest and principal funds are for the annual debt service of the related bonds.

Trust funds are invested in "permitted investments," defined as government obligations, certificates of deposit or time deposits issued by a qualified depository of the state, money market funds (the assets of which are required to be invested in obligations listed above) and/or repurchase agreements fully served by government obligations.

**Note 4. Investments**

The Hospital holds investments carried at fair value. The Hospital's investments held at June 30, 2011 and 2010 were as follows:

|                                                      | <b>2011</b>   | <b>2010</b>   |
|------------------------------------------------------|---------------|---------------|
| Money market funds                                   | \$ 44,274     | \$ 129,706    |
| Mutual funds                                         | 9,218,918     | 11,454,477    |
| Bonds                                                | 629,700       | 1,223,199     |
| U S securities                                       | 4,535,743     | 2,869,190     |
|                                                      | 14,428,635    | 15,676,572    |
| Less restricted by Board for malpractice deductibles | 1,200,000     | 1,200,000     |
| Total investments                                    | \$ 13,228,635 | \$ 14,476,572 |



**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 4. Continued**

Investment income and gains for assets limited as to use, cash equivalents and other investments are comprised of the following for the years ended June 30, 2011 and 2010

|                                                         | 2011                | 2010                |
|---------------------------------------------------------|---------------------|---------------------|
| Investment income, net                                  |                     |                     |
| Interest and dividend income                            | \$ 473,516          | \$ 415,404          |
| Net realized and unrealized gains on trading securities | 2,492,951           | 883,014             |
| Total investment returns                                | <u>\$ 2,966,467</u> | <u>\$ 1,298,418</u> |

**Note 5. Investments in Non-Consolidated Entities**

During 2007, the Hospital purchased several investments in limited partnerships. The Hospital's ownership in each of the partnerships is not significant but the Hospital has the ability to exercise influence over the entities through the Hospital's relationship with the managing partner. Investments in such entities may be redeemed with up to a 90-day prior written request. The limited partnerships are accounted for under the equity method. The investments consisted of the following at June 30:

|                                   | 2011                 | 2010                 |
|-----------------------------------|----------------------|----------------------|
| Equity method investments         |                      |                      |
| Balance, beginning of year        | \$ 18,835,713        | \$ 13,543,265        |
| Capital contributions             | -                    | 3,700,000            |
| Cumulative share of distributions | (965,000)            | -                    |
| Cumulative share of income        | 3,369,151            | 1,592,448            |
| Balance, end of year              | <u>\$ 21,239,864</u> | <u>\$ 18,835,713</u> |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 5. Continued**

The following summarizes the unaudited combined assets, liabilities and equity and the combined results of operations of the equity method investments (on a 100 percent basis)

|                                                    | <b>As of<br/>December 31,<br/>2010</b>                  | <b>As of<br/>December 31,<br/>2009</b>                  |
|----------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>ASSETS</b>                                      |                                                         |                                                         |
| Investments                                        | \$ 5,427,977,145                                        | \$ 4,673,794,676                                        |
| Cash and cash equivalents                          | 136,090,306                                             | 36,961,424                                              |
| Receivable from sale of investments                | 23,734,430                                              | 33,180,683                                              |
| Other                                              | 57,249,503                                              | 63,987,830                                              |
| Total assets                                       | <u>\$ 5,645,051,384</u>                                 | <u>\$ 4,807,924,613</u>                                 |
| <b>LIABILITIES AND PARTNERS' CAPITAL</b>           |                                                         |                                                         |
| Liabilities                                        |                                                         |                                                         |
| Accounts payable                                   | \$ 114,098,583                                          | \$ 64,434,221                                           |
| Payable to partners                                | 26,896,534                                              | 25,945,905                                              |
| Contributions received in advance                  | 544,621                                                 | 5,900,000                                               |
| Notes payable                                      | 1,724,023,000                                           | 1,697,770,000                                           |
| Other liabilities                                  | 34,868,076                                              | 58,208,276                                              |
| Total liabilities                                  | 1,900,430,814                                           | 1,852,258,402                                           |
| Minority interest                                  | 1,908,000                                               | 2,875,000                                               |
| Partners' capital                                  | 3,742,712,570                                           | 2,952,791,211                                           |
| Total liabilities and partners' capital            | <u>\$ 5,645,051,384</u>                                 | <u>\$ 4,807,924,613</u>                                 |
|                                                    | <b>For the Year<br/>Ended<br/>December 31,<br/>2010</b> | <b>For the Year<br/>Ended<br/>December 31,<br/>2009</b> |
| <b>CONDENSED STATEMENTS OF OPERATIONS</b>          |                                                         |                                                         |
| Operating revenue                                  | \$ 390,495,333                                          | \$ 408,002,000                                          |
| Investment income                                  | 3,474,321                                               | 5,533,528                                               |
| Total revenues                                     | 393,969,654                                             | 413,535,528                                             |
| Operating expenses                                 | 172,946,437                                             | 222,469,711                                             |
| Net investment gain                                | 221,023,217                                             | 191,065,817                                             |
| Realized and unrealized gain (loss) on investments | 328,567,314                                             | (1,306,468,023)                                         |
| Minority interest                                  | (1,854,000)                                             | 2,394,000                                               |
| Net income (loss)                                  | <u>\$ 547,736,531</u>                                   | <u>\$ (1,113,008,206)</u>                               |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6. Property and Equipment**

A summary of property and equipment at June 30 is set forth below

|                               | 2011          | 2010          |
|-------------------------------|---------------|---------------|
| Land                          | \$ 4,229,870  | \$ 4,229,870  |
| Buildings and parking lot     | 54,534,956    | 51,530,028    |
| Movable equipment             | 33,459,757    | 32,277,910    |
|                               | 92,224,583    | 88,037,808    |
| Less accumulated depreciation | (67,575,055)  | (64,759,056)  |
|                               | 24,649,528    | 23,278,752    |
| Construction in progress      | 5,419         | 172,080       |
| Total                         | \$ 24,654,947 | \$ 23,450,832 |

Depreciation expense for the years ended June 30, 2011 and 2010 totaled \$2,816,000 and \$3,016,812, respectively

**Note 7. Beneficial Interest in Charitable Remainder Trust**

During 2011, The Foundation was named as a remainder beneficiary under eight charitable remainder trusts. Under the terms of the trusts, quarterly distributions are paid to income beneficiaries over their lifetimes. Quarterly distributions are 5 percent of the fair market value of the trust assets as of the beginning of each year. Upon the death of the income beneficiaries, 25 percent of the value of the charitable remainder trust account is distributed to the Foundation. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the Statement of Activities and Changes in Net Assets as a temporarily restricted contribution in the period the trust is established and the Foundation is notified of its existence. Contributions of \$453,694 were recorded by the Foundation for the year ended June 30, 2011.

**Note 8. Line of Credit**

In April 2011, the Hospital renewed an unsecured line of credit with a commercial bank with a principal amount of \$2,000,000, maturing March 31, 2012. As of June 30, 2011 and 2010, the Hospital had an outstanding balance of \$2,000,000 and \$800,000, respectively, with quarterly interest payments at varying rates of 2.50 percent plus LIBOR rate. As of June 30, 2011 and 2010, the interest rate was 4.0 percent.

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 9. Long-Term Debt**

A summary of long-term debt at June 30 follows

|                                                                                                 | 2011         | 2010         |
|-------------------------------------------------------------------------------------------------|--------------|--------------|
| Hinds County, Mississippi, Refunding Revenue Bonds-Series 1993                                  | \$ 2,345,000 | \$ 4,565,000 |
| Less unamortized bond discount                                                                  | (1,604)      | (4,780)      |
|                                                                                                 | 2,343,396    | 4,560,220    |
| Mississippi Hospital Equipment and Facilities Authority Variable Rate Revenue Bonds-Series 2003 | 5,695,000    | 6,035,000    |
| Total long-term debt                                                                            | 8,038,396    | 10,595,220   |
| Less current portion                                                                            | 2,700,000    | 2,560,000    |
| Long-term portion                                                                               | \$ 5,338,396 | \$ 8,035,220 |

In June 1993, the Hospital issued \$27,325,000 in tax-exempt hospital revenue bonds. The bond issue proceeds were used to defease the Hospital's obligation to pay the Mississippi Hospital Equipment and Facilities Authority Revenue Bonds-1988 Series 1. Interest is due on the 1993 hospital revenue bonds each year on May 1 and November 1 at rates ranging from 3 4 percent to 5 7 percent. Principal is due in varying amounts each May 1 until the year 2012.

Under the terms of the revenue bond indenture, certain trust funds as described in Note 3 and the future net revenues of the Hospital are pledged as security for payment of the 1993 hospital revenue bonds. The indenture also contains certain affirmative and negative covenants, which among other things, limit additional borrowings and require the maintenance of certain financial ratios. The Hospital was in compliance with all such covenants as of June 30, 2011 and 2010.

In August 2003, the Hospital issued \$7,500,000 in variable rate revenue bonds. The bond issue proceeds were used to assist the construction and installation of the Methodist Specialty Care Center, a long-term care facility of the Hospital. Interest on the 2003 variable rate revenue bonds may be calculated using a weekly rate or a term rate mode, as defined. Interest is calculated using the weekly rate mode until the borrower has requested mode to be changed to a term rate.

Under the weekly rate mode, interest is due on the first business day of each month and on the effective date of conversion from the weekly rate mode to the term rate mode. For the years ended June 30, 2011 and 2010, the interest on the bonds was calculated using the weekly rate. The interest rate was 1 10 percent and 1 60 percent as of June 30, 2011 and 2010, respectively. Principal is due in varying amounts beginning August 1, 2005 until the year 2023, and is collateralized by operating revenues of the Hospital.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 9. Continued**

Future maturities of the Hospital's long-term debt by year and in aggregate, follows

| <b>Year Ending<br/>June 30,</b> | <b>Amount</b>       |
|---------------------------------|---------------------|
| 2012                            | \$ 2,700,000        |
| 2013                            | 375,000             |
| 2014                            | 385,000             |
| 2015                            | 405,000             |
| 2016                            | 420,000             |
| Thereafter                      | <u>3,755,000</u>    |
| Total                           | <u>\$ 8,040,000</u> |

**Note 10. Net Patient Service Revenue**

The Hospital has agreements with third-party payors that provide for reimbursement to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with major third-party payors follows:

Medicare

Substantially all acute care and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain types of exempt services and other defined payments related to Medicare beneficiaries are paid based on cost reimbursement or other retroactive-determination methodologies. The Hospital is reimbursed for other cost reimbursable items at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits by the Medicare fiscal intermediary. The Hospital's cost reports have been audited and settled for all fiscal years through June 30, 2007.

Medicaid

Inpatient and outpatient acute care services rendered to Medicaid program beneficiaries are generally reimbursed based upon cost-based reimbursement methodologies established by the State of Mississippi. Based upon recent directions from the Centers for Medicare and Medicaid Services, the Mississippi Division of Medicaid has been instructed to begin cost settling certain Medicaid outpatient services beginning with reports on October 1, 2005.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 10. Continued**

Long-term care services rendered to Medicaid program beneficiaries are reimbursed using a cost-based method. Certain limits apply to components and may change in the future depending upon other similar providers opening in the State of Mississippi. Medicaid imposed additional limits to the reimbursement rate effective January 1, 2007, which the Hospital appealed to the Supreme Court of Mississippi. On September 24, 2009, the Supreme Court ruled in favor of the Hospital and determined the application of the ceiling by the Department of Medicaid to be null and void as it was improper and in violation of the applicable statutes. A request for reconsideration was filed by the Department of Medicaid, which was denied on December 3, 2009, and the Department of Medicaid was mandated to reimburse the Hospital. During fiscal year 2010, the Hospital was reimbursed \$10,316,938 for the difference between the ceiling and actual cost.

The Hospital participates in the Medicaid Upper Payment Limit Program ("UPL"). Under this program, the Hospital receives enhanced reimbursement through a matching mechanism. For the fiscal years ended June 30, 2011 and 2010, respectively, the Hospital received approximately \$1,156,095 and \$1,887,560 in enhanced reimbursement through the UPL Program.

UPL amounts are shown as a reduction of contractual adjustments with related assessments of \$1,302,295 and \$1,199,628 for the fiscal years ended June 30, 2011 and 2010, respectively, recorded in operating expenses.

Revenue from the Medicare and Medicaid programs accounted for approximately 41 percent and 29 percent, respectively, of the Hospital's gross patient revenue for the year ended June 30, 2011 and 41 percent and 30 percent, respectively, of the Hospital's gross patient revenue for the year ended June 30, 2010.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. For the years ended June 30, 2011 and 2010, net patient service revenue increased approximately \$249,000 and \$116,000, respectively, due to adjustments in excess of amounts previously estimated.

Other

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 10. Continued**

A summary of patient service revenue for the years ended June 30, 2011 and 2010, follows

|                                                                  | <b>2011</b>          | <b>2010</b>          |
|------------------------------------------------------------------|----------------------|----------------------|
| Gross patient service revenue                                    | \$ 72,468,146        | \$ 70,385,872        |
| Less provisions for                                              |                      |                      |
| Contractual adjustments under third-party reimbursement programs | 24,368,249           | 14,059,950*          |
| Net patient service revenue                                      | <u>\$ 48,099,897</u> | <u>\$ 56,325,922</u> |

\* During 2010, the provisions for contractual adjustments were reduced by the additional reimbursement amount received from the Division of Medicaid as noted above in Note 9

**Note 11. Financial Assistance and Uncompensated Care – Service to the Region**

The amount of charges foregone for services and supplies furnished under the Hospital's financial assistance policy aggregated approximately \$500,000 and 200,000 for the years ended June 30, 2011 and 2010, respectively

The Hospital also provides healthcare services to a significant portion of the uninsured and underinsured population in the surrounding community. While a portion of these patients may ultimately qualify for coverage under the Medicaid program or the financial assistance policy discussed above, the Hospital often admits a number of patients with the expectation/realization that it will likely be unable to collect a significant portion of these accounts. Charges deemed uncollectible during 2011 and 2010 were approximately \$594,000 and \$893,000, respectively.

**Note 12. Risk Management**

The Hospital's professional liability insurance coverage is provided through a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Hospital's current coverage expires on April 30, 2012, and management anticipates that such coverage will be renewed or replaced with equivalent insurance at that time.

At June 30, 2011 and 2010, there were no material claims asserted or anticipated that were not covered by insurance, and the Hospital has not accrued for any significant losses for malpractice claims or expenses. The Hospital is involved in various litigation and potential claims which management believes, based in part upon discussion with counsel, will not have a material

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 12. Continued**

adverse effect on the results of operations or the financial position of the Hospital. Nevertheless, the future assertion of claims for occurrences prior to year-end is reasonably possible and may occur, although not anticipated. In any event, management believes that any such claims would be substantially covered under its insurance program.

**Note 13. Employee Benefits**

The Hospital sponsors a retirement plan for all employees who work a minimum of 1,000 hours per year and have at least one year of service. All funds of the plan are invested in fixed funds and mutual fund options. The Hospital contributes 3 percent of the participants' annual taxable compensation and matches 50 percent of the participants' contributions up to 7 percent of annual taxable compensation. Employees are vested in the Hospital's contributions after three years of service. The Hospital's contributions to the plan were \$1,007,394 in 2011 and \$928,236 in 2010.

The Hospital provides health insurance coverage to its employees under a self-funded plan. A liability for claims reported and not paid and an estimated liability for claims incurred but not reported or paid is included in accrued expenses in the consolidated statements of financial position. Commercial insurance is purchased for claims in excess of coverage provided by the Hospital to limit the Hospital's liability for losses under its self-insurance program. The estimated claims liability at June 30, 2011 and 2010 was \$94,013 and \$75,907, respectively.

**Note 14. Operating Leases**

As lessor, the Hospital leases a portion of its premises for the operation of a restaurant. The lease term was renewed through August 2015, with an option to extend the lease for one additional five-year period. Base rent of \$75,000 per year is receivable in equal monthly installments of \$6,250 per month. In addition, the Hospital receives contingent rental payments based on restaurant sales in excess of certain levels as defined in the lease agreement.

As lessee, rental expense, including short-term rentals, was approximately \$465,000 in 2011 and \$463,500 in 2010. In most cases management expects that, in the normal course of business, expiring leases will be renewed or replaced by other similar leases. Based on operating leases currently in force, it is expected that lease rental expense for each of the next five years will be approximately \$465,000 per year.

**Note 15. Business and Credit Concentrations**

The Hospital provides health care services through its inpatient and outpatient care facilities principally located in Jackson, Mississippi. The Hospital grants credit to patients, substantially



**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 15. Continued**

all of whom are local residents. The Hospital generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross and commercial insurance policies).

The mix of net receivables from patients and third-party payors follows:

|            | <b>2011</b> | <b>2010</b> |
|------------|-------------|-------------|
| Medicare   | 27%         | 26%         |
| Medicaid   | 18          | 20          |
| Blue Cross | 23          | 17          |
| Other      | 32          | 37          |
| Total      | <u>100%</u> | <u>100%</u> |

The Hospital maintains its cash in bank deposit accounts, which at times may exceed federally insured limits (\$250,000). The Hospital has not experienced any losses in such accounts. The Hospital believes it is not exposed to any significant credit risk related to cash and cash equivalent concentration.

**Note 16. Related Party Transactions**

For the fiscal years ended June 30, 2011 and 2010, the financial statements of the Foundation are included in the consolidated financial statements of the Hospital.

The Foundation is authorized by the Hospital to solicit contributions to support the Hospital's mission in providing for research for spinal and brain injuries in the State of Mississippi. The Foundation uses those contributions to award grants to various healthcare organizations to assist in the advancement of clinical, educational and medical rehabilitation research.

The Hospital provides certain routine management, financial and accounting services for the Foundation.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 16. Continued**

The following is a summary of amounts charged to the Foundation by the Hospital during 2011 and 2010

|                                | <b>2011</b>       | <b>2010</b>       |
|--------------------------------|-------------------|-------------------|
| Salaries and employee benefits | \$ 137,386        | \$ 133,736        |
| Office rental                  | 4,950             | 4,950             |
| Total                          | <u>\$ 142,336</u> | <u>\$ 138,686</u> |

The Hospital owns and operates a retail gift shop that is largely staffed by volunteers. The Hospital contributes to the Foundation, on behalf of the volunteers, the gift shop's net margin. These amounts totaled \$15,000 and \$8,000 for the years ended June 30, 2011 and 2010, respectively.

As of June 30, 2010, all significant intercompany accounts and transactions have been eliminated in consolidation.

**Note 17. Accounting Standards Updates Issued Not Yet Adopted**

In August 2010, the FASB issued authoritative guidance that will require healthcare entities to measure and disclose their level of charity care based on the direct and indirect costs to provide those services instead of revenue rates. Also in August 2010, the FASB issued authoritative guidance that will preclude healthcare entities from offsetting medical malpractice and similar liabilities with related anticipated insurance recoveries. Both of these accounting standards updates will be effective in fiscal year ending June 30, 2012. The Hospital is currently evaluating the impact of its pending adoption of these updates on the consolidated financial statements.

In July 2011, the FASB issued authoritative guidance that will require healthcare entities to change the presentation and disclosures regarding patient service revenues, provisions for uncollectible accounts and the allowance for doubtful accounts. This update will require the Hospital to change the presentation of its statement of operations by reclassifying the provision for uncollectible accounts from an operating expense to a deduction from net patient service revenue. Additionally, the Hospital will be required to provide enhanced disclosures about its policy for recognizing revenue and assessing bad debts. The update also requires certain disclosures regarding patient service revenue as well as qualitative and quantitative information about the changes in the allowance for doubtful accounts. Unless early adopted, this update will be effective for the year ending June 30, 2013. The Hospital is currently evaluating the impact of its pending adoption of this update on the consolidated financial statements.

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Years Ended June 30, 2011 and 2010

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 18. Subsequent Events**

In preparing these consolidated financial statements, the Hospital has evaluated events and transactions for potential recognition or disclosure through October 25, 2011, the date the consolidated financial statements were available to be issued



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

Board of Trustees  
Methodist Rehabilitation Center, Inc. and Subsidiaries  
Jackson, Mississippi

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying consolidating information is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position and results of operations of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Ridgeland, Mississippi  
October 25, 2011

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Consolidating Statement of Financial Position  
June 30, 2011

|                                                                                    | Hospital      | SPM      | WRF          | 2011<br>Total | Eliminations | 2011<br>Total<br>Consolidated |
|------------------------------------------------------------------------------------|---------------|----------|--------------|---------------|--------------|-------------------------------|
| <b>ASSETS</b>                                                                      |               |          |              |               |              |                               |
| Current assets                                                                     |               |          |              |               |              |                               |
| Cash and cash equivalents                                                          | \$ 2,737,254  | \$ 1,007 | \$ 155,764   | \$ 2,894,025  | \$ -         | \$ 2,894,025                  |
| Patient accounts receivable, net of allowance for doubtful accounts of \$1,353,000 | 7,782,528     | -        | -            | 7,782,528     | -            | 7,782,528                     |
| Assets limited as to use, current                                                  | 2,724,795     | -        | -            | 2,724,795     | -            | 2,724,795                     |
| Bequest receivable                                                                 | -             | -        | 799,568      | 799,568       | -            | 799,568                       |
| Other current assets                                                               | 1,723,322     | -        | 333,576      | 2,056,898     | (28,364)     | 2,028,534                     |
| Total current assets                                                               | 14,967,899    | 1,007    | 1,288,908    | 16,257,814    | (28,364)     | 16,229,450                    |
| Assets limited as to use, noncurrent                                               |               |          |              |               |              |                               |
| Investments                                                                        | 8,936,053     | -        | -            | 8,936,053     | -            | 8,936,053                     |
| Investments in nonconsolidated entities                                            | 9,612,305     | -        | 3,616,330    | 13,228,635    | -            | 13,228,635                    |
| Property and equipment, net                                                        | 21,239,864    | -        | -            | 21,239,864    | -            | 21,239,864                    |
| Beneficial interest in charitable remainder trust                                  | 24,654,947    | -        | -            | 24,654,947    | -            | 24,654,947                    |
| Other assets                                                                       | -             | -        | 453,694      | 453,694       | -            | 453,694                       |
|                                                                                    | 428,762       | -        | 452,621      | 881,383       | -            | 881,383                       |
| Total assets                                                                       | \$ 79,839,830 | \$ 1,007 | \$ 5,811,553 | \$ 85,652,390 | \$ (28,364)  | \$ 85,624,026                 |
| <b>LIABILITIES AND NET ASSETS</b>                                                  |               |          |              |               |              |                               |
| Current liabilities                                                                |               |          |              |               |              |                               |
| Current maturities of long-term debt                                               | \$ 2,700,000  | \$ -     | \$ -         | \$ 2,700,000  | \$ -         | \$ 2,700,000                  |
| Line of credit                                                                     | 2,000,000     | -        | -            | 2,000,000     | -            | 2,000,000                     |
| Accounts payable                                                                   | 853,596       | -        | 6,100        | 859,696       | -            | 859,696                       |
| Accrued salaries and wages                                                         | 772,071       | -        | -            | 772,071       | -            | 772,071                       |
| Accrued vacation payable                                                           | 1,186,974     | -        | -            | 1,186,974     | -            | 1,186,974                     |
| Accrued interest payable                                                           | 24,795        | -        | -            | 24,795        | -            | 24,795                        |
| Third party settlements                                                            | 271,749       | -        | -            | 271,749       | -            | 271,749                       |
| Other accrued expenses                                                             | 606,252       | -        | 28,364       | 634,616       | (28,364)     | 606,252                       |
| Total current liabilities                                                          | 8,415,437     | -        | 34,464       | 8,449,901     | (28,364)     | 8,421,537                     |
| Long-term debt, less current maturities                                            |               |          |              |               |              |                               |
| Total liabilities                                                                  | 5,338,396     | -        | -            | 5,338,396     | -            | 5,338,396                     |
|                                                                                    | 13,753,833    | -        | 34,464       | 13,788,297    | (28,364)     | 13,759,933                    |
| Net assets                                                                         |               |          |              |               |              |                               |
| Unrestricted                                                                       | 66,085,997    | 1,007    | 4,501,504    | 70,588,508    | -            | 70,588,508                    |
| Temporarily restricted                                                             | -             | -        | 1,275,585    | 1,275,585     | -            | 1,275,585                     |
| Total net assets                                                                   | 66,085,997    | 1,007    | 5,777,089    | 71,864,093    | -            | 71,864,093                    |
| Total liabilities and net assets                                                   | \$ 79,839,830 | \$ 1,007 | \$ 5,811,553 | \$ 85,652,390 | \$ (28,364)  | \$ 85,624,026                 |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**  
Consolidating Statement of Financial Position  
June 30, 2010

|                                                                                   | Hospital      | SPM      | WRF          | 2010<br>Total | Eliminations | 2010<br>Total<br>Consolidated |
|-----------------------------------------------------------------------------------|---------------|----------|--------------|---------------|--------------|-------------------------------|
| <b>ASSETS</b>                                                                     |               |          |              |               |              |                               |
| Current assets                                                                    |               |          |              |               |              |                               |
| Cash and cash equivalents                                                         | \$ 1,036,097  | \$ 1,652 | \$ 131,392   | \$ 1,169,141  | \$ -         | \$ 1,169,141                  |
| Patent accounts receivable, net of allowance for doubtful accounts of \$1,648,000 | 8,008,526     | -        | -            | 8,008,526     | -            | 8,008,526                     |
| Assets limited as to use, current                                                 | 2,608,049     | -        | -            | 2,608,049     | -            | 2,608,049                     |
| Other current assets                                                              | 1,542,616     | -        | 118,340      | 1,660,956     | (15,362)     | 1,645,594                     |
| Total current assets                                                              | 13,195,288    | 1,652    | 249,732      | 13,446,672    | (15,362)     | 13,431,310                    |
| Assets limited as to use, noncurrent                                              |               |          |              |               |              |                               |
| Investments                                                                       | 8,469,696     | -        | -            | 8,469,696     | -            | 8,469,696                     |
| Investments in nonconsolidated entities                                           | 10,926,315    | -        | 3,550,257    | 14,476,572    | -            | 14,476,572                    |
| Property and equipment, net                                                       | 18,835,713    | -        | -            | 18,835,713    | -            | 18,835,713                    |
| Other assets                                                                      | 23,450,832    | -        | -            | 23,450,832    | -            | 23,450,832                    |
|                                                                                   | 442,053       | -        | 806,315      | 1,248,368     | -            | 1,248,368                     |
| Total assets                                                                      | \$ 75,319,897 | \$ 1,652 | \$ 4,606,304 | \$ 79,927,853 | \$ (15,362)  | \$ 79,912,491                 |
| <b>LIABILITIES AND NET ASSETS</b>                                                 |               |          |              |               |              |                               |
| Current liabilities                                                               |               |          |              |               |              |                               |
| Current maturities of long-term debt                                              | \$ 2,560,000  | \$ -     | \$ -         | \$ 2,560,000  | \$ -         | \$ 2,560,000                  |
| Line of credit                                                                    | 800,000       | -        | -            | 800,000       | -            | 800,000                       |
| Accounts payable                                                                  | 1,194,824     | -        | 6,800        | 1,201,624     | -            | 1,201,624                     |
| Accrued salaries and wages                                                        | 678,812       | -        | -            | 678,812       | -            | 678,812                       |
| Accrued vacation payable                                                          | 1,109,076     | -        | -            | 1,109,076     | -            | 1,109,076                     |
| Accrued interest payable                                                          | 48,049        | -        | -            | 48,049        | -            | 48,049                        |
| Third party settlements                                                           | 369,955       | -        | -            | 369,955       | -            | 369,955                       |
| Other accrued expenses                                                            | 620,480       | -        | 15,362       | 635,842       | (15,362)     | 620,480                       |
| Total current liabilities                                                         | 7,381,196     | -        | 22,162       | 7,403,358     | (15,362)     | 7,387,996                     |
| Long-term debt, less current maturities                                           | 8,035,220     | -        | -            | 8,035,220     | -            | 8,035,220                     |
| Total liabilities                                                                 | 15,416,416    | -        | 22,162       | 15,438,578    | (15,362)     | 15,423,216                    |
| Net assets                                                                        |               |          |              |               |              |                               |
| Unrestricted                                                                      | 59,903,481    | 1,652    | 3,624,552    | 63,529,685    | -            | 63,529,685                    |
| Temporarily restricted                                                            | -             | -        | 959,590      | 959,590       | -            | 959,590                       |
| Total net assets                                                                  | 59,903,481    | 1,652    | 4,584,142    | 64,489,275    | -            | 64,489,275                    |
| Total liabilities and net assets                                                  | \$ 75,319,897 | \$ 1,652 | \$ 4,606,304 | \$ 79,927,853 | \$ (15,362)  | \$ 79,912,491                 |

**METHODIST REHABILITATION CENTER, INC.**  
**AND SUBSIDIARIES**  
Consolidating Statement of Operations  
Year Ended June 30, 2011

|                                                      | Hospital      | SPM      | WRF        | 2011<br>Total | Eliminations | 2011<br>Total Consolidated |
|------------------------------------------------------|---------------|----------|------------|---------------|--------------|----------------------------|
| Unrestricted revenues, gains and other support       |               |          |            |               |              |                            |
| Net patient revenue                                  | \$ 48,099,897 | \$ -     | \$ -       | \$ 48,099,897 | \$ -         | \$ 48,099,897              |
| Research grants                                      | 720,300       | -        | -          | 720,300       | (695,000)    | 25,300                     |
| Other operating revenue                              | 1,383,039     | -        | -          | 1,383,039     | -            | 1,383,039                  |
| Total unrestricted revenues, gains and other support | 50,203,236    | -        | -          | 50,203,236    | (695,000)    | 49,508,236                 |
| Expenses                                             |               |          |            |               |              |                            |
| Salaries, wages and benefits                         | 32,386,136    | -        | 137,386    | 32,523,522    | -            | 32,523,522                 |
| Supplies and other                                   | 13,525,029    | 645      | 803,676    | 14,329,350    | (695,000)    | 13,634,350                 |
| Interest                                             | 434,214       | -        | -          | 434,214       | -            | 434,214                    |
| Provision for uncollectible accounts                 | 594,257       | -        | -          | 594,257       | -            | 594,257                    |
| Depreciation and amortization                        | 2,849,291     | -        | -          | 2,849,291     | -            | 2,849,291                  |
| Total expenses                                       | 49,788,927    | 645      | 941,062    | 50,730,634    | (695,000)    | 50,035,634                 |
| Operating income (loss)                              | 414,309       | (645)    | (941,062)  | (527,398)     | -            | (527,398)                  |
| Nonoperating revenue                                 |               |          |            |               |              |                            |
| Investment income                                    | 2,399,056     | -        | 567,411    | 2,966,467     | -            | 2,966,467                  |
| Unrestricted contributions                           | -             | -        | 1,087,348  | 1,087,348     | -            | 1,087,348                  |
| Equity in net income of nonconsolidated entities     | 3,369,151     | -        | -          | 3,369,151     | -            | 3,369,151                  |
| Total nonoperating revenue                           | 5,768,207     | -        | 1,654,759  | 7,422,966     | -            | 7,422,966                  |
| Excess (deficiency) of revenue over expenses         | 6,182,516     | (645)    | 713,697    | 6,895,568     | -            | 6,895,568                  |
| Net assets released from restriction                 | -             | -        | 163,255    | 163,255       | -            | 163,255                    |
| Increase (decrease) in unrestricted net assets       | \$ 6,182,516  | \$ (645) | \$ 876,952 | \$ 7,058,823  | \$ -         | \$ 7,058,823               |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Consolidating Statement of Operations  
Year Ended June 30, 2010

|                                                      | Hospital      | SPM        | WRF        | 2010<br>Total | Eliminations | 2010<br>Total Consolidated |
|------------------------------------------------------|---------------|------------|------------|---------------|--------------|----------------------------|
| Unrestricted revenues, gains and other support       |               |            |            |               |              |                            |
| Net patient revenue                                  | \$ 56,325,922 | \$ -       | \$ -       | \$ 56,325,922 | \$ -         | \$ 56,325,922              |
| Research grants                                      | 70,738        | -          | -          | 70,738        | -            | 70,738                     |
| Other operating revenue                              | 1,209,331     | -          | -          | 1,209,331     | (4,950)      | 1,204,381                  |
| Total unrestricted revenues, gains and other support | 57,605,991    | -          | -          | 57,605,991    | (4,950)      | 57,601,041                 |
| Expenses                                             |               |            |            |               |              |                            |
| Salaries, wages and benefits                         | 31,903,740    | -          | 133,736    | 32,037,476    | -            | 32,037,476                 |
| Supplies and other                                   | 13,325,595    | 1,123      | 64,552     | 13,391,270    | (12,950)     | 13,378,320                 |
| Interest                                             | 525,810       | -          | -          | 525,810       | -            | 525,810                    |
| Provision for uncollectible accounts                 | 892,677       | -          | -          | 892,677       | -            | 892,677                    |
| Depreciation and amortization                        | 3,057,960     | -          | -          | 3,057,960     | -            | 3,057,960                  |
| Impairment of goodwill                               | 1,581,975     | -          | -          | 1,581,975     | -            | 1,581,975                  |
| Total expenses                                       | 51,287,757    | 1,123      | 198,288    | 51,487,168    | (12,950)     | 51,474,218                 |
| Operating income (loss)                              | 6,318,234     | (1,123)    | (198,288)  | 6,118,823     | 8,000        | 6,126,823                  |
| Nonoperating revenue                                 |               |            |            |               |              |                            |
| Investment income                                    | 817,065       | -          | 481,353    | 1,298,418     | -            | 1,298,418                  |
| Unrestricted contributions                           | -             | -          | 193,301    | 193,301       | (8,000)      | 185,301                    |
| Equity in net income of nonconsolidated entities     | 1,592,448     | -          | -          | 1,592,448     | -            | 1,592,448                  |
| Total nonoperating revenue                           | 2,409,513     | -          | 674,654    | 3,084,167     | (8,000)      | 3,076,167                  |
| Excess (deficiency) of revenue over expenses         | 8,727,747     | (1,123)    | 476,366    | 9,202,990     | -            | 9,202,990                  |
| Net assets released from restriction                 | -             | -          | 12,923     | 12,923        | -            | 12,923                     |
| Increase (decrease) in unrestricted net assets       | \$ 8,727,747  | \$ (1,123) | \$ 489,289 | \$ 9,215,913  | \$ -         | \$ 9,215,913               |



**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Consolidating Statement of Changes in Net Assets  
June 30, 2011

|                                                | <b>Hospital</b> | <b>SPM</b> | <b>WRF</b>   | <b>2011<br/>Total</b> | <b>Eliminations</b> | <b>2011<br/>Total<br/>Consolidated</b> |
|------------------------------------------------|-----------------|------------|--------------|-----------------------|---------------------|----------------------------------------|
| Unrestricted net assets                        |                 |            |              |                       |                     |                                        |
| Increase (decrease) in unrestricted net assets | \$ 6,182,516    | \$ (645)   | \$ 876,952   | \$ 7,058,823          | \$ -                | \$ 7,058,823                           |
| Temporarily restricted net assets              |                 |            |              |                       |                     |                                        |
| Contributions                                  | -               | -          | 479,250      | 479,250               | -                   | 479,250                                |
| Net assets released from restrictions          | -               | -          | (163,255)    | (163,255)             | -                   | (163,255)                              |
| Increase in temporarily restricted net assets  | -               | -          | 315,995      | 315,995               | -                   | 315,995                                |
| Increase (decrease) in net assets              | 6,182,516       | (645)      | 1,192,947    | 7,374,818             | -                   | 7,374,818                              |
| Net assets at beginning of year                | 59,903,481      | 1,652      | 4,584,142    | 64,489,275            | -                   | 64,489,275                             |
| Net assets at end of year                      | \$ 66,085,997   | \$ 1,007   | \$ 5,777,089 | \$ 71,864,093         | \$ -                | \$ 71,864,093                          |

**METHODIST REHABILITATION CENTER, INC.  
AND SUBSIDIARIES**

Consolidating Statement of Changes in Net Assets  
June 30, 2010

|                                                | <b>Hospital</b> | <b>SPM</b> | <b>WRF</b>    | <b>2010<br/>Total</b> | <b>Eliminations</b> | <b>2010<br/>Total<br/>Consolidated</b> |
|------------------------------------------------|-----------------|------------|---------------|-----------------------|---------------------|----------------------------------------|
| Unrestricted net assets                        |                 |            |               |                       |                     |                                        |
| Increase (decrease) in unrestricted net assets | \$ 8,727,747    | \$ (1,123) | \$ -489,289   | \$ 9,215,913          | \$ -                | \$ 9,215,913                           |
| Temporarily restricted net assets              |                 |            |               |                       |                     |                                        |
| Contributions                                  | -               | -          | 993,275       | 993,275               | -                   | 993,275                                |
| Pledge discount                                | -               | -          | (33,685)      | (33,685)              | -                   | (33,685)                               |
| Net assets released from restrictions          | -               | -          | (12,923)      | (12,923)              | -                   | (12,923)                               |
| Increase in temporarily restricted net assets  | -               | -          | 946,667       | 946,667               | -                   | 946,667                                |
| Increase (decrease) in net assets              | 8,727,747       | (1,123)    | 1,435,956     | 10,162,580            | -                   | 10,162,580                             |
| Net assets at beginning of year                | 51,175,734      | 2,775      | 3,148,186     | 54,326,695            | -                   | 54,326,695                             |
| Net assets at end of year                      | \$ 59,903,481   | \$ 1,652   | \$ -4,584,142 | \$ 64,489,275         | \$ -                | \$ 64,489,275                          |

Additional Data

Software ID:  
Software Version:  
EIN: 23-7067206  
Name: MISSISSIPPI METHODIST HOSPITAL & REHABILITATION CENTER

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

| (A)<br>Name and Title                          | (B)<br>Average hours per week | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|------------------------------------------------|-------------------------------|----------------------------------------|-----------------------|---------|--------------|------------------------------|--------|----------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                                                |                               | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |                                                                      |                                                                           |                                                                                               |
| DEAN M MILLER<br>TRUSTEE - LIFE MEMBER - NO    | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| WILLIAM R JAMES<br>TRUSTEE                     | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| DAVID L MCMILLIN<br>TRUSTEE                    | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| MIKE P STURDIVANT JR<br>VICE CHAIRMAN          | 60                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| S EDWARD KOSSMAN<br>TRUSTEE                    | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| REV BERT FELDER<br>TRUSTEE                     | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| E B ROBINSON<br>TRUSTEE                        | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| THOMAS A TURNER III<br>TRUSTEE                 | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| DIRK B VANDERLEEST<br>TRUSTEE                  | 60                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| MATTHEW L HOLLEMAN III<br>CHAIRMAN             | 1 00                          | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| ANN HOLIFIELD<br>TRUSTEE                       | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| MICHAEL REDDIX MD<br>TRUSTEE                   | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| WALTER S WEEMS<br>TREASURER                    | 60                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| WILLIAM A RAY<br>TRUSTEE                       | 60                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| C GERALD GARNETT<br>TRUSTEE                    | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| SALLY CARMICHAEL<br>TRUSTEE - LIFE MEMBER - NO | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| TISH HUGHES<br>TRUSTEE                         | 60                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| MICHAEL MAPLES MD<br>TRUSTEE                   | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| WIRT A YERGER III<br>TRUSTEE                   | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| OTIS JOHNSON<br>EX-OFFICIO - NONVOTING         | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| DOBRVIJOE STOKIC MD<br>DIRECTOR - NON-VOTING   | 40 00                         | X                                      |                       |         |              |                              |        | 158,950                                                              | 0                                                                         | 11,889                                                                                        |
| JESSE L WOFFORD MD<br>TRUSTEE - LIFE MEMBER    | 30                            | X                                      |                       |         |              |                              |        | 0                                                                    | 0                                                                         | 0                                                                                             |
| SAMUEL P GRISSOM MD<br>DIRECTOR/PHYSICIAN      | 40 00                         | X                                      |                       |         |              |                              |        | 402,860                                                              | 0                                                                         | 15,180                                                                                        |
| MARK A ADAMS<br>PRESIDENT & CEO                | 40 00                         |                                        |                       | X       |              |                              |        | 421,079                                                              | 0                                                                         | 29,854                                                                                        |
| GARY ARMSTRONG<br>EVP & CFO                    | 40 00                         |                                        |                       | X       |              |                              |        | 247,748                                                              | 0                                                                         | 22,477                                                                                        |

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

| (A)<br>Name and Title                    | (B)<br>Average<br>hours<br>per<br>week | (C)<br>Position (check all<br>that apply) |                       |         |              |                                 |        | (D)<br>Reportable<br>compensation<br>from the<br>organization (W-<br>2/1099-MISC) | (E)<br>Reportable<br>compensation<br>from related<br>organizations<br>(W- 2/1099-<br>MISC) | (F)<br>Estimated<br>amount of other<br>compensation<br>from the<br>organization and<br>related<br>organizations |
|------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------|---------|--------------|---------------------------------|--------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                          |                                        | Individual trustee<br>or director         | Institutional Trustee | Officer | Key employee | Highest compensated<br>employee | Former |                                                                                   |                                                                                            |                                                                                                                 |
| JOSEPH MORETTE<br>EVP & COO              | 40 00                                  |                                           |                       | X       |              |                                 |        | 295,198                                                                           | 0                                                                                          | 30,172                                                                                                          |
| STEVE HOPE<br>VICE PRESIDENT HUMAN RESOU | 40 00                                  |                                           |                       |         |              | X                               |        | 192,090                                                                           | 0                                                                                          | 15,909                                                                                                          |
| ALYSON JONES MD<br>PHYSICIAN             | 40 00                                  |                                           |                       |         |              | X                               |        | 181,546                                                                           | 0                                                                                          | 12,740                                                                                                          |
| BRUCE HIRSHMAN MD<br>PHYSICIAN           | 40 00                                  |                                           |                       |         |              | X                               |        | 297,621                                                                           | 0                                                                                          | 7,782                                                                                                           |
| LEON M GRIGORYEV MD<br>PHYSICIAN         | 40 00                                  |                                           |                       |         |              | X                               |        | 226,539                                                                           | 0                                                                                          | 6,731                                                                                                           |
| ZORAYA M PARRILLA MD<br>PHYSICIAN        | 40 00                                  |                                           |                       |         |              | X                               |        | 296,283                                                                           | 0                                                                                          | 6,609                                                                                                           |