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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 10-01-2010 and ending 09-30-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization JOHN D ARCHBOLD MEMORIAL HOSPITAL INC Doing Business As	D Employer identification number 58-0566121
	Number and street (or P O box if mail is not delivered to street address) P O BOX 1018	Room/suite
	E Telephone number (229) 228-2853	
	G Gross receipts \$ 290,822,546	
	F Name and address of principal officer J PERRY MUSTIAN PRESIDENT P O BOX 1018 THOMASVILLE, GA 317991018	
		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
		H(c) Group exemption number ▶
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW ARCHBOLD ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1923
		M State of legal domicile GA

Part I	Summary
Activities & Governance	1 Briefly describe the organization’s mission or most significant activities HEALTHCARE SERVICES
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets
	3 Number of voting members of the governing body (Part VI, line 1a)
	4 Number of independent voting members of the governing body (Part VI, line 1b)
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)
6 Total number of volunteers (estimate if necessary)	
7a Total unrelated business revenue from Part VIII, column (C), line 12	
7b Net unrelated business taxable income from Form 990-T, line 34	
Revenue	8 Contributions and grants (Part VIII, line 1h)
	9 Program service revenue (Part VIII, line 2g)
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4)
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)
	16a Professional fundraising fees (Part IX, column (A), line 11e)
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)
	19 Revenue less expenses Subtract line 18 from line 12
	Net Assets or Fund Balances
21 Total liabilities (Part X, line 26)	
22 Net assets or fund balances Subtract line 21 from line 20	

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			2012-08-15 Date	
	J PERRY MUSTIAN PRESIDENT Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name JACQUELINE G ATKINS	Preparer's signature JACQUELINE G ATKINS	Date 2012-07-30	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ DRAFFIN & TUCKER LLP				Firm's EIN ▶
	Firm's address ▶ PO BOX 6 ALBANY, GA 317020006				Phone no ▶ (229) 883-7878
May the IRS discuss this return with the preparer shown above? (see instructions)					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

HEALTHCARE SERVICES

2

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

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?

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 \$ 217,124,957 including grants of \$ 899,699) (Revenue \$ 275,425,728)

JOHN D ARCHBOLD MEMORIAL HOSPITAL (JDAMH) IN THOMASVILLE GEORGIA OPERATES WITH 264 LICENSED BEDS, OF WHICH 226 ARE MED/SURG, 18 BEDS ARE DESIGNATED TO A PSYCH UNIT, 20 BEDS ARE REHAB IN ADDITION, THEY OPERATE A 64 BED SKILLED NURSING FACILITY JDAMH IS A RURAL REFERRAL CENTER COVERING THOMAS COUNTY AND SURROUNDING COUNTIES IN SOUTHERN GEORGIA AND NORTHERN FLORIDA 61% OF PATIENTS WERE COVERED BY MEDICARE AND MEDICAID, AND 4 0% OF PATIENT REVENUE WAS PROVIDED AS INDIGENT CARE IN 2011, JDAMH PROVIDED OVER 22 5 MILLION IN INDIGENT CARE CHARGES JDAMH TREATS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY IN ADDITION JDAMH PROVIDED OVER 38 0 MILLION IN ADDITIONAL UNCOMPENSATED CARE THROUGHOUT THE YEAR, JDAMH PRODUCES OR SPONSORS MANY SPECIAL PROGRAMS FOR THE COMMUNITY TO EDUCATE THEM ON IMPORTANT HEALTH NEEDS JDAMH, INC ALSO MAINTAINS HOSPITALS IN GRADY COUNTY, BROOKS COUNTY, AND MITCHELL COUNTY, EIN 58-0566121 BROOKS COUNTY HOSPITAL OPERATES IN QUITMAN, GEORGIA AS A CRITICAL ACCESS HOSPITAL WITH 25 ACUTE CARE BEDS IT SERVES BROOKS COUNTY AND OVER 72% OF ITS PATIENTS WERE MEDICARE/MEDICAID IN 2011, OVER 3 3 MILLION OF INDIGENT CARE WAS PROVIDED TO THE COMMUNITY IN ADDITION, BROOKS COUNTY HOSPITAL PROVIDED OVER 2 5 MILLION IN ADDITIONAL UNCOMPENSATED CARE EIN 58-6002830 FILED UNDER EIN 58-0566121 GRADY GENERAL HOSPITAL (GGH) IN CAIRO, GEORGIA OPERATES A 46 BED ACUTE CARE FACILITY TEN BEDS CAN BE USED AS SWING BEDS IT SERVES GRADY COUNTY AND 56% OF ITS PATIENTS WERE MEDICARE/MEDICAID IN 2011, GGH PROVIDED OVER 2 5 MILLION IN INDIGENT CARE IN ADDITION, GRADY GENERAL HOSPITAL PROVIDED OVER 6 3 MILLION IN ADDITIONAL UNCOMPENSATED CARE EIN 58-1646537 FILED UNDER EIN 58-0566121 MITCHELL COUNTY HOSPITAL AND NURSING HOMES OPERATE IN CAMILLA, GEORGIA AS A CRITICAL ACCESS HOSPITAL WITH 25 ACUTE CARE BEDS AND 156 NURSING HOME BEDS IT SERVES MITCHELL COUNTY AND 62% OF ITS PATIENTS WERE MEDICARE/MEDICAID IN 2011, OVER 4 0 MILLION OF INDIGENT CARE WAS PROVIDED TO THE COMMUNITY IN ADDITION, MITCHELL COUNTY HOSPITAL PROVIDED OVER 4 2 MILLION ADDITIONAL UNCOMPENSATED CARE EIN 58-6001207 FILED UNDER EIN 58-0566121

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d

Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)




















4e

Total program service expenses \$ 217,124,957

Form 990 (2010)

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)? <i>If "Yes," complete Schedule A.</i> 	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? <i>If "Yes," complete Schedule C, Part I.</i> 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> 	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? <i>If "Yes," complete Schedule C, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
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? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	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? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. 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	Yes	
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		No
25a	Section 501(c)(3) and 501(c)(4) organizations. 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		No
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	Yes	
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	Yes	
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		No
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		No
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	Section 501(c)(3) organizations. 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? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	156
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	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.	2a	0
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	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)?	4a	No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	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?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	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?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	No
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	No
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	No
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
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.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

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?	Yes	
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?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
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?	Yes	
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?	Yes	
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	
	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▶GA
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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 ▶ CHARLES D HIGHTOWER JR PO BOX 1018 THOMASVILLE, GA 31799 (229) 228-2853

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) J PERRY MUSTIAN PRES/HOSP CE	1 00	X		X				0	643,436	815,928
(2) EDWARD L HALL MD TRUSTEE	1 00	X						0	453,092	36,244
(3) STEPHEN A RUBENDALL JR MD TRUSTEE	40 00	X						213,811	0	20,154
(4) JAMES E SMITH MD TRUSTEE	1 00	X						0	144,891	5,647
(5) J MERRILL HICKS JR MD TRUSTEE	1 00	X						0	2,000	0
(6) KAREN L BRAMBLETT MD TRUSTEE	1 00	X						0	0	0
(7) BRYANT BEADLES CHAIRMAN	1 00	X		X				0	0	0
(8) NATHANIEL H ABRAMS VICE CHAIRMA	1 00	X		X				0	0	0
(9) RICHARD L SINGLETARY JR TRUSTEE	1 00	X						0	0	0
(10) BENJAMIN WILDS MD SECRETARY	1 00	X		X				0	0	0
(11) CHRIS CHUBB TRUSTEE	1 00	X						0	0	0
(12) DANIEL GENE AUTRY TRUSTEE	1 00	X						0	0	0
(13) GARY BONVILLIAN PHD TREASURER	1 00	X		X				0	0	0
(14) IMOGENE CONYERS TRUSTEE	1 00	X						0	0	0
(15) MARTA TURNER TRUSTEE	1 00	X						0	0	0
(16) PAT VOSS TRUSTEE	1 00	X						0	0	0

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) SUE GARFIELD TRUSTEE	1 00	X						0	0	0
(18) TIMOTHY A JONES MD TRUSTEE	1 00	X						0	0	0
(19) TIMOTHY GRAYSON MD TRUSTEE	1 00	X						0	0	0
(20) TOM CALLAWAY TRUSTEE	1 00	X						0	0	0
(21) WALLACE GOODMAN TRUSTEE	1 00	X						0	0	0
(22) CHARLES D HIGHTOWER JR ASST SEC/ HO	1 00			X				0	391,364	34,713
(23) KEVIN TAYLOR COO	40 00				X			287,890	0	51,051
(24) RICHARD KERENSKY MD PHYSICIAN	40 00					X		1,395,861	0	24,374
(25) AYMAN AL-HAKIM MD PHYSICIAN	40 00					X		507,621	0	23,994
(26) WASSIM MCHAYLEH MD PHYSICIAN	40 00					X		489,610	0	13,199
(27) BRIAN GAUPP MD PHYSICIAN	40 00					X		395,397	0	28,779
(28) CHARLES TOMLINSON MD VP MEDIC AFF	40 00					X		358,823	0	25,683
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,649,013	1,634,783	1,079,766

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 77

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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>	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>		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) Name and business address	(B) Description of services	(C) Compensation
BE&K BUILDING GROUP 10 CADILLAC DR SUITE 460 BRENTWOOD, TN 37027	CONSTRUCTION	24,401,891
RED HILLS RADIOLOGY 714 N DAWSON STREET THOMASVILLE, GA 31792	RADIOLOGY SVC	7,151,745
SOUTH GEORGIA EMERGENCY MEDICAL ASSO P O BOX 1913 THOMASVILLE, GA 31799	ER PHYSICIAN	3,327,358
ENDURACARE TMI DEPT AT 952922 ATLANTA, GA 31192	REHAB SVCS	2,957,904
SOUTHLAND EMERGENCY MEDICAL SERVICES PO BOX 1276 THOMASVILLE, GA 31799	ER PHYS	2,274,436
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 49		

Part VIII

Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations 1d	1,888,423			
	e Government grants (contributions) 1e	4,267,968			
	f All other contributions, gifts, grants, and similar amounts not included above 1f	2,295,994			
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f ▶	8,452,385			
	Program Service Revenue	2a	Business Code		
PATIENT SERVICE REVENUE		623000	275,263,515	275,263,515	
b LAB SERVICES		900099	306,067		306,067
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a–2f ▶		275,569,582			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts) ▶		2,797,178		2,797,178
	4 Income from investment of tax-exempt bond proceeds . . ▶				
	5 Royalties ▶				
	6a Gross Rents	(i) Real	(ii) Personal		
	b Less rental expenses	1,398,040			
	c Rental income or (loss)	173,960			
	d Net rental income or (loss) ▶	1,224,080			1,224,080
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b Less cost or other basis and sales expenses		31,945		
	c Gain or (loss)				
	d Net gain or (loss) ▶		31,945		31,945
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) 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	300,786			
	c Net income or (loss) from sales of inventory . . ▶	201,068	99,718		99,718
Miscellaneous Revenue	Business Code				
11a CAFETERIA SALES	722210	1,107,029		1,107,029	
b DRUG SALES	621990	1,003,388		1,003,388	
c VHA REBATES	623000	70,687	70,687		
d All other revenue		91,526	91,526		
e Total. Add lines 11a–11d ▶		2,272,630			
12 Total revenue. See Instructions ▶		290,447,518	275,425,728	306,067	6,263,338

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) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	126,000	126,000		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	773,699	773,699		
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	572,906	233,965	338,941	
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	99,524,340	84,528,837	14,995,503	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,014,463	1,739,499	274,964	
9	Other employee benefits	14,395,199	12,087,906	2,307,293	
10	Payroll taxes	8,838,288	7,487,849	1,350,439	
a	Fees for services (non-employees)				
	Management				
b	Legal	3,855		3,855	
c	Accounting	74,420		74,420	
d	Lobbying	11,124		11,124	
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	36,599,349	30,406,842	6,192,507	
12	Advertising and promotion	222,717	56,080	166,637	
13	Office expenses	61,614,926	52,189,803	9,425,123	
14	Information technology	1,417,499	1,401,579	15,920	
15	Royalties				
16	Occupancy	5,021,375	4,486,086	535,289	
17	Travel	1,260,901	939,422	321,479	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	49,679	49,679		
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	17,307,802	15,525,098	1,782,704	
23	Insurance	2,331,571	2,331,571		
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	MISCELLANEOUS	3,166,780	34,089	3,132,691	
b	REPAIRS & MAINTENANCE	2,556,679	2,298,576	258,103	
c	DUES & SUBSCRIPTIONS	415,720	247,023	168,697	
d	RECRUITING	173,204	173,204		
e	AUXILIARY COSTS	49,040		49,040	
f	All other expenses	8,150	8,150		
25	Total functional expenses. Add lines 1 through 24f	258,529,686	217,124,957	41,404,729	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			10,960,719	1	8,849,500
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			47,155,979	4	45,010,171
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	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			2,922,105	8	3,025,582
	9	Prepaid expenses and deferred charges			1,995,452	9	2,339,355
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	411,641,224			
	b	Less: accumulated depreciation	10b	185,015,023	166,724,362	10c	226,626,201
	11	Investments—publicly traded securities			238,470,785	11	201,708,810
	12	Investments—other securities. See Part IV, line 11			86,072	12	86,072
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			12,972,177	15	28,639,608
	16	Total assets. Add lines 1 through 15 (must equal line 34)			481,287,651	16	516,285,299
Liabilities	17	Accounts payable and accrued expenses			40,280,858	17	44,027,829
	18	Grants payable				18	
	19	Deferred revenue			507,991	19	677,251
	20	Tax-exempt bond liabilities			130,180,000	20	128,710,000
	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				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			3,496,053	25	4,408,783
	26	Total liabilities. Add lines 17 through 25			174,464,902	26	177,823,863
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			304,579,232	27	336,015,244
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets			2,243,517	29	2,446,192
	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			306,822,749	33	338,461,436
	34	Total liabilities and net assets/fund balances			481,287,651	34	516,285,299

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	290,447,518
2	Total expenses (must equal Part IX, column (A), line 25)	2	258,529,686
3	Revenue less expenses Subtract line 2 from line 1	3	31,917,832
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	306,822,749
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-279,145
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	338,461,436

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 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?	Yes	
b	Were the organization's financial statements audited by an independent accountant?		No
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? 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 <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" 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)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization JOHN D ARCHBOLD MEMORIAL HOSPITAL INC	Employer identification number 58-0566121
--	--

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) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) 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 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years 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 stop here 						

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 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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 stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. 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 stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation 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).

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 JOHN D ARCHBOLD MEMORIAL HOSPITAL INC	Employer identification number 58-0566121
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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 checked="" type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input checked="" 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 Form 1120-POL for this year?	<input type="checkbox"/> Yes <input checked="" 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 (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)		11,124													
c Total lobbying expenditures (add lines 1a and 1b)		11,124													
d Other exempt purpose expenditures		258,692,511													
e Total exempt purpose expenditures (add lines 1c and 1d)		258,703,635													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000													
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><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></tbody></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-															
i Subtract line 1f from line 1c If zero or less, enter -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 checked="" 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 (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	16,974	10,568	8,730	11,124	47,396
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (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
1	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			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a	Current year		
b	Carryover from last year		
c	Total		
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	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?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

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
JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

Employer identification number

58-0566121

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 checked="" 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 checked="" 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

d

☐

Loan or exchange programs

b

☐

Scholarly research

e

☐

Other

c

☐

Preservation for future generations

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	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	2,243,517	2,165,754	2,245,154		
b Contributions					
c Investment earnings or losses	202,675	77,763	-79,400		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	2,446,192	2,243,517	2,165,754		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

No

(ii) related organizations

3a(ii)

No

b

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

3b

No

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		7,980,165		7,980,165
b Buildings		94,405,035	38,443,228	55,961,807
c Leasehold improvements		15,509,829	10,125,306	5,384,523
d Equipment		212,410,251	136,446,489	75,963,762
e Other		81,335,944		81,335,944
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				226,626,201

Schedule D (Form 990) 2010

Part XIReconciliation 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 XIIReconciliation 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 XIIIReconciliation 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 XIVSupplemental 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
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE MEDICAL CENTER, WITH THE EXCEPTION OF ARCHBOLD MEDICAL ENTERPRISES, INC , IS A NOT-FOR-PROFIT CORPORATION THAT HAS BEEN RECOGNIZED AS TAX- EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE MEDICAL CENTER APPLIES ACCOUNTING POLICIES THAT PRESCRIBE WHEN TO RECOGNIZE AND HOW TO MEASURE THE FINANCIAL STATEMENT EFFECTS OF INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON ITS INCOME TAX RETURNS. THESE RULES REQUIRE MANAGEMENT TO EVALUATE THE LIKELIHOOD THAT, UPON EXAMINATION BY THE RELEVANT TAXING JURISDICTIONS, THOSE INCOME TAX POSITIONS WOULD BE SUSTAINED. BASED ON THAT EVALUATION, THE MEDICAL CENTER ONLY RECOGNIZES THE MAXIMUM BENEFIT OF EACH INCOME TAX POSITION THAT IS MORE THAN 50% LIKELY OF BEING SUSTAINED. TO THE EXTENT THAT ALL OR A PORTION OF THE BENEFITS OF AN INCOME TAX POSITION ARE NOT RECOGNIZED, A LIABILITY WOULD BE RECOGNIZED FOR THE UNRECOGNIZED BENEFITS, ALONG WITH ANY INTEREST AND PENALTIES THAT WOULD RESULT FROM DISALLOWANCE OF THE POSITION. SHOULD ANY SUCH PENALTIES AND INTEREST BE INCURRED, THEY WOULD BE RECOGNIZED AS OPERATING EXPENSES. BASED ON THE RESULTS OF MANAGEMENT'S EVALUATION, NO LIABILITY IS RECOGNIZED IN THE ACCOMPANYING BALANCE SHEET FOR UNRECOGNIZED INCOME TAX POSITIONS. FURTHER, NO INTEREST OR PENALTIES HAVE BEEN ACCRUED OR CHARGED TO EXPENSE AS OF SEPTEMBER 30, 2011 AND 2010 OR FOR THE YEARS THEN ENDED. THE MEDICAL CENTER'S OPEN AUDIT PERIODS ARE FOR TAX YEARS ENDED 2008-2010.
SUPPLEMENTAL FINANCIAL INFORMATION	SCHEDULE D, PAGE 4, PART XIV	PART V, LINE 4 - INTENDED USES FOR ENDOWMENT FUNDS. ENDOWMENT FUNDS RESTRICTED BY DONORS ARE HELD IN A PERMANENT HEALTHCARE ENDOWMENT FUND WHICH WAS ESTABLISHED TO SUPPORT HEALTH CARE SERVICES.

Additional Data

Software ID:

Software Version:

EIN: 58-0566121

Name: JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
OTHER RECEIVABLES	9,227,570
DUE FROM MEDICARE/MEDICAID	7,779,014
DUE FROM SELF INSURANCE TRUST	6,921,019
DEFERRED BOND ISSUE COST - 2003	2,521,449
SCHOLARSHIP/TUITION RECEIVABLE	1,766,573
INTEREST RECEIVABLE	318,966
PHYSICIAN RECEIVABLES	105,017
DUE FROM HOSPITAL AUTHORITY	

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
JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

Employer identification number
58-0566121

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 <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input checked="" 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 a 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 <div><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>1.25000 %</u></div> 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 <div><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>3.25000 %</u></div> c 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 4 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)		8,499	16,378,143		16,378,143	6 330 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			35,843,114	28,235,063	7,608,051	2 940 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		8,499	52,221,257	28,235,063	23,986,194	9 270 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	180	11,511	1,394,133	760	1,393,373	0 540 %
f Health professions education (from Worksheet 5)	19	1,878	1,930,061		1,930,061	0 750 %
g Subsidized health services (from Worksheet 6)	3		10,104,759		10,104,759	3 900 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	4		66,775		66,775	0 030 %
j Total Other Benefits	206	13,389	13,495,728	760	13,494,968	5 220 %
k Total. Add lines 7d and 7j	206	21,888	65,716,985	28,235,823	37,481,162	14 490 %

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		952		952	
2	Economic development					
3	Community support		1,922		1,922	
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building		1,925		1,925	
7	Community health improvement advocacy		27		27	
8	Workforce development		12,945		12,945	0.010 %
9	Other		104		104	
10	Total		17,875		17,875	0.010 %

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	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	17,217,804
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	
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	78,491,533
6	Enter Medicare allowable costs of care relating to payments on line 5	6	81,628,295
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-3,136,762
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.		
<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
9b	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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Schedule H (Form 990) 2010

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: JOHN D ARCHBOLD MEM HOSP

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: GRADY GENERAL HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	18		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d <input type="checkbox"/> Other (describe in Part VI)			

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a <input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b <input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c <input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d <input type="checkbox"/> Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		
21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21		

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BROOKS COUNTY HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d	<input type="checkbox"/> Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI			
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI			

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: MITCHELL COUNTY HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 4

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%	9	

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%	10	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	
12	Explained the method for applying for financial assistance?	12	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply) a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other (describe in Part VI)	16	
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)		
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)		
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	<input type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		

Part V

Facility Information *(continued)*

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? 1

Name and address		Type of Facility (Describe)
1	GLENN-MOR NURSING HOME 10629 U S HIGHWAY 19 S THOMASVILLE, GA 31792	SKILLED NURSING HOME
2		
3		
4		
5		
6		
7		
8		
9		
10		

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
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	IN DERIVING THE DENOMINATOR TO BE USED FOR COLUMN F THE FOLLOWING ADJUSTMENTS WERE MADE TO THE TOTAL EXPENSES REPORTED ON FORM 990 PART IX LINE 25 FORM 990 PART IX LINE 25 258703641 ADD EXPENSES REPORTED IN PART VIII 210068 DENOMINATOR FOR COLUMN F 258913709

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	COST TO CHARGE RATIO TOTAL EXPENSES EXCLUDING BAD DEBTS TO PATIENT CARE REVENUE BY FACILITY

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	IMPROVING OR HAVING INPUT IN IMPROVING HOUSING THE WORKFORCE AND WORKING WITH THE COMMUNITY IN SUPPORTIVE ROLES TO ENHANCE AWARENESS OF HEALTH ISSUES ALL CONTRIBUTE TO THE HEALTH OF INDIVIDUALS IF INDIVIDUALS ARE NOT WORK READY THEY ARE LIKELY TO BE UNINSURED AND SEEK LESS CARE SUBSTANDARD HOUSING AND BEING HOMELESS OR PRECARIOUSLY HOUSED CAN LEAD TO HEALTH ISSUES AS WELL

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	EXCERPT FROM AUDITED FINANCIAL STATEMENTS ALLOWANCE FOR DOUBTFUL ACCOUNTS THE MEDICAL CENTER PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED ON AN EVALUATION OF THE OVERALL COLLECTIBILITY OF THE ACCOUNTS RECEIVABLE AS ACCOUNTS ARE KNOWN TO BE UNCOLLECTIBLE THEY ARE CHARGED AGAINST THE ALLOWANCE

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	RATIO OF COST TO CHARGE BY DEPARTMENT

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	PATIENTS THAT ARE KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE ARE APPROVED FOR A PERIOD OF 5 MONTHSTHE PATIENTS ARE REQUIRED TO CONTACT THE FINANCIAL ASSISTANCE OFFICE DURING THIS POINT IF THEY INCUR ADDITIONAL CHARGES THAT QUALIFY FOR FINANCIAL ASSISTANCE DURING THIS TIME PERIODTHE SAME PROCESS IS IN EFFECT FOR THE PATIENTS WHO QUALIFY FOR THE SLIDING FEE DISCOUNTTHIS DISCOUNT WILL LIMIT THE PATIENTS TO AN OUT OF POCKET MAXIMUM AMOUNT IN THE GIVEN TIME PERIOD WE DO NOT HAVE ANY AUTOMATIC ADJUSTMENTS OR AN AUTOMATE SYSTEM TO TRACK THE PREVIOUSLY APPROVED PATIENTS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	UTILIZATION AND COMPARISON OF DATA BY VARIOUS PROCESSES ACCESSING PRIMARY SECONDARY AND QUALITATIVE DATA TO DETERMINE NEEDS COMMUNITY HEALTH STATUS DATA UPDATED AS FEDERAL STATE AND LOCAL DATA REPORTED REVIEW OF ASSESSMENTS OF OTHER ORGANIZATIONS REVIEW OF INTERNAL DATA SUCH AS PATIENT VOLUMES AND SCREENING OUTCOMES ONGOING PARTICIPATION IN COMMUNITY ORGANIZATIONS THAT IDENTIFY NEEDS SPONSORING A COMMUNITY EDUCATION TASK FORCE WITH INPUT THROUGHOUT THE YEAR RESPONDING TO REQUESTS FROM THE COMMUNITY AND FOCUS GROUP INPUT

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	PUBLISHED POLICY SIGNS AND PAMPHLETS AT ALL REGISTRATION POINTS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	COUNTIES IN GEORGIA INCLUDE BROOKS GRADY EARLY MITCHELL THOMAS DISPROPORTIONATE HEALTHCARE NEEDS FEDERALLY DESIGNATED AS MEDICALLY UNDERSERVED AREASMUA OR HEALTH PROFESSIONAL SHORTAGE AREASHSPA LOW INCOME PUBLIC HOUSING RESIDENTS SENIORS SENIORS MIGRANT WORKERS UNINSURED UNDERINSURED MIXTURE OF ETHNICITIES ALL AGES MIXTURE OF EDUCATIONAL LEVELS POPULATION APPROXIMATELY 109000 2198 AVERAGE BELOW POVERTY 225 UNINSURED 36388 MEDIAN HOUSEHOLD INCOME 18929 PER CAPITA INCOME POPULATION IS AGING WITH GROWTH APPROXIMATELY 18

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	INVOLVEMENT IN COMMUNITY SUPPORT IN HOMELESS COALITION IMPROVES HEALTH THROUGH AFFORDABLE STANDARD HOUSING LEADERSHIP TRAINING DEVELOPMENT TO IMPACT HEALTH NEEDS COMMUNITY HEALTH IMPROVEMENT THROUGH ADVOCACY TO ASSIST IN ACCESS TO CARE ASSIST IN ACCESS TO CARE WORKFORCE DEVELOPMENT TO LEAD TO GAINFUL EMPLOYMENT WHICH HAS AN AFFECT ON HEALTH STATUS

Identifier	ReturnReference	Explanation
LIST OF STATES WHERE COMMUNITY BENEFIT REPORT IS FILED	PART VI	GEORGIA

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

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
58-0566121

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) THOMAS UNIVERSITY 1501 MILLPOND ROAD THOMASVILLE,GA 31792	58-0644897	501	11,000				MEDICAL TECH ED PROG
(2) THOMAS UNIVERSITY 1501 MILLPOND ROAD THOMASVILLE,GA 31792	58-0644897	501	115,000				NURSG LEADERSHIP ED

2

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

1

3

Enter total number of other organizations

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
(1) SCHOLARSHIP PROGRAM	101	272,590			
(2) TUITION REIMBURSEMENT	92	416,498			
(3) MED STUDENT HOUSING	70		84,611	FMV	HOUSING/UTIL

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
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	THE ORGANIZATION OFFERS A TUITION/SCHOLARSHIP REIMBURSEMENT PROGRAM FOR QUALIFIED EMPLOYEES ON SATISFACTORY COMPLETION OF APPROVED COURSES THE PURPOSE IS TO ENCOURAGE AND ENABLE EMPLOYEES TO ACQUIRE ADDITIONAL EDUCATION IN A HEALTH CARE OR JOB RELATED FIELD WHICH WILL PROMOTE CAREER ADVANCEMENT AND/OR PROVIDE ADVANCED CREDENTIALING OF EMPLOYEES IN AREAS OF NEED CONDITIONS OF ELIGIBILITY FULL-TIME EMPLOYMENT OF AT LEAST SIX MONTHS WITH SATISFACTORY WORK RECORD AND PERFORMANCE EVALUATION COMPLETION OF THE RELEVANT EDUCATION PROGRAM REQUIRES THE APPLICANT TO COMMIT TO OBTAIN STATUS AS A FULL-TIME EMPLOYEE EQUAL TO THE AMOUNT OF TIME SPENT IN EDUCATION FAILURE TO COMPLY WITH THE REQUIREMENTS OF ELIGIBILITY WOULD SUBJECT THE EMPLOYEE TO FULL OR PARTIAL REIMBURSEMENT OF THE FUNDS RECEIVED TO THE ORGANIZATION FOR REIMBURSEMENT THE EMPLOYEE MUST PROVIDE A COPY OF A RECEIPT SHOWING ACTUAL PAYMENT OF TUITION FEES APPLICANT MUST MAINTAIN A C OR HIGHER GRADE AND AN OFFICIAL RECORD OF GRADES AND HOURS CREDIT MAILED DIRECTLY TO THE ORGANIZATION

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
JOHN D ARCHBOLD MEMORIAL HOSPITAL INC

Employer identification number
58-0566121

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 checked="" 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 checked="" 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>		
b	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	1b	Yes
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?	2	Yes
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 checked="" 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 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		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	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		
a	The organization?	5a	No
b	Any related organization?	5b	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		
a	The organization?	6a	Yes
b	Any related organization?	6b	Yes
	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	7	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	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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) J PERRY MUSTIAN	(i) (ii)	471,067	163,560	8,809	802,600	13,328	1,459,364	
(2) EDWARD L HALL MD	(i) (ii)	436,197	14,831	2,064	26,950	9,294	489,336	
(3) STEPHEN A RUBENDALL JR MD	(i) (ii)	194,172	19,500	139	10,884	9,270	233,965	
(4) JAMES E SMITH MD	(i) (ii)	127,701	16,108	1,082	2,797	2,850	150,538	
(5) CHARLES D HIGHTOWER JR	(i) (ii)	271,638	82,602	37,124	21,117	13,596	426,077	
(6) KEVIN TAYLOR	(i) (ii)	213,988	67,170	6,732	40,719	10,332	338,941	
(7) RICHARD KERENSKY MD	(i) (ii)	518,594	141,667	735,600	17,381	6,993	1,420,235	
(8) AYMAN AL-HAKIM MD	(i) (ii)	444,952	59,501	3,168	14,700	9,294	531,615	
(9) WASSIM MCHAYLEH MD	(i) (ii)	420,531	68,718	361	3,905	9,294	502,809	
(10) BRIAN GAUPP MD	(i) (ii)	394,431		966	19,485	9,294	424,176	
(11) CHARLES TOMLINSON MD	(i) (ii)	290,781	63,320	4,722	16,519	9,164	384,506	
(12)								
(13)								
(14)								
(15)								
(16)								

Part IIISupplemental 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
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	SOCIAL CLUB DUES ARE PAID BY THE ORGANIZATION ON BEHALF OF OFFICERS AND EXECUTIVES OF THE FILING ORGANIZATION. ADDITIONALLY, THESE OFFICERS AND EXECUTIVES ARE REIMBURSED MILEAGE. THESE AMOUNTS ARE INCLUDED IN THE INDIVIDUAL'S TAXABLE INCOME AND REPORTED ON THEIR W-2. THE ORGANIZATION'S POLICY FOR COMPANION TRAVEL INCLUDES THE REIMBURSEMENT OF REGISTRATION, TRAVEL AND ENTERTAINMENT EXPENSES FOR GUESTS WHO ACCOMPANY BOARD TRUSTEES TO EITHER OF TWO ANNUAL TRUSTEE CONFERENCES. RECEIPTS MUST BE SUBMITTED PRIOR TO REIMBURSEMENT AND THE AMOUNTS ARE NOT INCLUDED IN THE INDIVIDUAL'S TAXABLE INCOME.
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	J PERRY MUSTIAN 0 783,000 0
COMPENSATION CONTINGENT UPON NET EARNINGS OF ORGANIZATION	SCHEDULE J, PAGE 1, PART I, LINE 6A	CONTINGENT IN PART ON MEETING MANAGEMENT BY OBJECTIVE INCENTIVE PLAN GOALS AND EXCESS OF REVENUE OVER EXPENSES.
COMPENSATION CONTINGENT UPON NET EARNINGS OF RELATED ORG.	SCHEDULE J, PAGE 1, PART I, LINE 6B	CONTINGENT IN PART ON MEETING MANAGEMENT BY OBJECTIVE INCENTIVE PLAN GOALS AND EXCESS OF REVENUE OVER EXPENSES.
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	THE IRS RULES & REGULATIONS REQUIRE THAT CERTAIN NON-CURRENT, NON-CASH ITEMS ARE REPORTED IN PART VII OF FORM 990 REGARDLESS OF THE CURRENT BENEFIT TO THE EMPLOYEE. THESE SAME RULES, IN SOME CASES, REQUIRE THE COMPENSATION AND BENEFITS TO BE REPORTED TWICE IN PART VII, ONCE WHEN THE ENTITY ACCRUES FOR A FUTURE PAYMENT AND ONCE WHEN THE PAYMENT IS ACTUALLY MADE TO THE EMPLOYEE. THEREFORE, AN EMPLOYEE'S STATED TOTAL COMPENSATION AND BENEFITS REPORTED ON PART VII ARE SUBSTANTIALLY HIGHER THAN THE ACTUAL CASH COMPENSATION RECEIVED IN THE CURRENT YEAR. AMOUNTS REPORTED AS BENEFITS INCLUDE AMOUNTS FOR LIFE INSURANCE, HEALTH INSURANCE, THRIFT PLAN CONTRIBUTIONS, AND PENSION CONTRIBUTIONS. BENEFITS RELATED TO PENSION AND RETIREMENT PLANS REFLECT AMOUNTS ACCUMULATED, BUT NOT PAID, TO THE INDIVIDUAL IN RECOGNITION OF TOTAL YEARS OF EMPLOYMENT, NOT JUST THE CURRENT YEAR. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN THREE OF THE ORGANIZATION'S TOP EXECUTIVES PARTICIPATE IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) WHICH IS ACCRUED BUT UNFUNDED IN AN AMOUNT WHICH, WHEN ADDED TO OTHER SOURCES OF RETIREMENT INCOME, WILL AFFORD A RETIREMENT INCOME AT A TARGETED PERCENTAGE OF PRE-RETIREMENT COMPENSATION. THE SERP IS A NON-QUALIFIED RETIREMENT PLAN.

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
JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

Employer identification number
58-0566121

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 HOSP AUTH OF THE CITY OF THOMASVILL	58-1719301	884633ADO	07-15-2009	27,840,000	BLDG CONSTRUCTION		X		X		X
B HOSP AUTH OF THE CITY OF THOMASVILL	58-1719301	884633AE8	07-15-2009	28,600,000	DEFEASE 1997/2003 BONDS		X		X		X
C HOSP AUTH OF THE CITY OF THOMASVILL	58-1719301	884633AS7	05-11-2010	85,000,000	BLDG CONSTRUCTION		X		X		X

Part II

Proceeds

		A		B		C		D	
		1	2	3	4	5	6	7	8
Amount of bonds retired		10,000,000		2,730,000					
Amount of bonds legally defeased									
Total proceeds of issue		27,840,000		28,600,000		85,000,000			
Gross proceeds in reserve funds		7,374,851				7,374,851			
Capitalized interest from proceeds									
Proceeds in refunding escrow		13,719,805		14,092,489		10,000,000			
Issuance costs from proceeds		452,899		465,201		1,437,504			
Credit enhancement from proceeds		110,459		113,459					
Working capital expenditures from proceeds									
Capital expenditures from proceeds		13,511,843		13,878,878		65,537,920			
Other spent proceeds		44,994		49,973					
Other unspent proceeds									
Year of substantial completion		2010		2011					
		Yes	No	Yes	No	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?			X		X		X		
15 Were the bonds issued as part of an advance refunding issue?			X	X			X		
16 Has the final allocation of proceeds been made?		X		X			X		
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		X		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		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		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		X		X		
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		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		X		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		X		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		X		X		
2	Is the bond issue a variable rate issue?	X		X			X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X	X			X		
b	Name of provider	BB&T		BB&T					
c	Term of hedge	2 1		2 1					
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		X		X		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			X	X			
6	Did the bond issue qualify for an exception to rebate?	X		X		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)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization JOHN D ARCHBOLD MEMORIAL HOSPITAL INC	Employer identification number 58-0566121
--	--

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) 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
Total ▶ \$ _____										

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
See Additional Data Table					

Part V

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

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

Additional Data

Software ID:
Software Version:
EIN: 58-0566121
Name: JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
TIMOTHY GRAYSON MD	BOARD TRUSTEE	7,151,744	SPOUSE PROF MED CORP		No
EDWARD HALL MD	BOARD TRUSTEE	218,252	PATIENT SVCS		No
W MERRILL HICKS MD	BOARD TRUSTEE	429,324	RENTAL, PATIENT SVCS		No
DANIEL E AUTRY	BOARD TRUSTEE	10,798	FAMILY MEMBER COMP		No
KAREN L BRAMBLETT MD	BOARD TRUSTEE	1,369,631	ANESTHESIOLOGY SVCS		No
TIMOTHY A JONES MD	BOARD TRUSTEE	167,529	MEDICAL SVCS		No
STEPHEN A RUBENDALL JR MD	BOARD TRUSTEE	265,463	EMPLOYED PHYSICIAN		No
RICHARD L SINGLETARY JR	BOARD TRUSTEE	113,642	BANKING SERVICES		No
BENJAMIN J WILDS	BOARD TRUSTEE	167,529	MEDICAL SVCS		No

SCHEDULE O
(Form 990 or 990-EZ)**Supplemental Information to Form 990 or 990-EZ**

OMB No 1545-0047

2010**Open to Public
Inspection****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.**Department of the Treasury
Internal Revenue Service**Name of the organization**
JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC**Employer identification number**

58-0566121

Identifier**Return
Reference****Explanation**FIRST
ACHIEVEMENT
DESCRIPTIONFORM 990,
PAGE 2,
PART III, LINE
4A

THEM ON IMPORTANT HEALTH NEEDS JDAMH, INC ALSO MAINTAINS HOSPITALS IN GRADY COUNTY, BROOKS COUNTY, AND MITCHELL COUNTY, EIN 58-0566121 BROOKS COUNTY HOSPITAL OPERATES IN QUITMAN, GEORGIA AS A CRITICAL ACCESS HOSPITAL WITH 25 ACUTE CARE BEDS IT SERVES BROOKS COUNTY AND OVER 72% OF ITS PATIENTS WERE MEDICARE/MEDICAID IN 2011, OVER 3.3 MILLION OF INDIGENT CARE WAS PROVIDED TO THE COMMUNITY IN ADDITION, BROOKS COUNTY HOSPITAL PROVIDED OVER 2.5 MILLION IN ADDITIONAL UNCOMPENSATED CARE. EIN 58-6002830 FILED UNDER EIN 58-0566121 GRADY GENERAL HOSPITAL (GGH) IN CAIRO, GEORGIA OPERATES A 46 BED ACUTE CARE FACILITY TEN BEDS CAN BE USED AS SWING BEDS IT SERVES GRADY COUNTY AND 56% OF ITS PATIENTS WERE MEDICARE/MEDICAID IN 2011, GGH PROVIDED OVER 2.5 MILLION IN INDIGENT CARE IN ADDITION, GRADY GENERAL HOSPITAL PROVIDED OVER 6.3 MILLION IN ADDITIONAL UNCOMPENSATED CARE. EIN 58-1646537 FILED UNDER EIN 58-0566121 MITCHELL COUNTY HOSPITAL AND NURSING HOMES OPERATE IN CAMILLA, GEORGIA AS A CRITICAL ACCESS HOSPITAL WITH 25 ACUTE CARE BEDS AND 156 NURSING HOME BEDS IT SERVES MITCHELL COUNTY AND 62% OF ITS PATIENTS WERE MEDICARE/MEDICAID IN 2011, OVER 4.0 MILLION OF INDIGENT CARE WAS PROVIDED TO THE COMMUNITY IN ADDITION, MITCHELL COUNTY HOSPITAL PROVIDED OVER 4.2 MILLION ADDITIONAL UNCOMPENSATED CARE. EIN 58-6001207 FILED UNDER EIN 58-0566121

Identifier	Return Reference	Explanation
RELATED PARTY INFORMATION AMONG OFFICERS	FORM 990, PAGE 6, PART VI, LINE 2	EDWARD HALL, M.D JAMES E SMITH, M.D BOARD MEMBER BOARD MEMBER BUSINESS RELATIONSHIP VICTOR MCMILLAN, M.D JAMES A THOMAS, JR , M.D BOARD MEMBER BOARD MEMBER BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	THE BOARD OF TRUSTEES OF THE FILING ENTITY ARE ELECTED ANNUALLY BY THE SOLE MEMBER, ARCHBOLD MEDICAL CENTER, INC ("AMC") IN ADDITION, AMC HAS THE POWER TO SELECT OR REPLACE AND TO REMOVE THE TRUSTEES OF THE GOVERNING BODY THE CEO OF AMC SHALL BE A MEMBER OF THE BOARD WITH THE POWER TO VOTE

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	THE SOLE MEMBER, AMC HAS THE AUTHORITY TO APPROVE THE DECISIONS OF THE GOVERNING BODY , INCLUDING BUT NOT LIMITED TO, CAPITAL AND OPERATING BUDGETS, MERGERS OR ACQUISITIONS, CONTRACTS AND TRANSACTIONS OVER A CERTAIN AMOUNT, DISSOLUTION, ETC

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	PRIOR TO FILING THE FORM 990, THE ORGANIZATION PRESENTED ITS FORM 990 TO TRUSTEES ATTENDING THE JULY 2012 REGULARLY SCHEDULED BOARD MEETING THE ORGANIZATION'S CFO PRESENTED THE INFORMATION, AND TRUSTEES HAD THE OPPORTUNITY TO ASK QUESTIONS AND MAKE COMMENTS

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	<p>ON AN ANNUAL BASIS, THE ORGANIZATION DISTRIBUTES A CONFLICT OF INTEREST QUESTIONNAIRE AND DISCLOSURE STATEMENT TO EACH TRUSTEE. THIS QUESTIONNAIRE INCLUDES QUESTIONS RELATED TO FINANCIAL INTERESTS, OUTSIDE INTERESTS OR ACTIVITIES, AND GIFTS, MEALS, AND ENTERTAINMENT. IN ADDITION TO DISCLOSING ANY APPLICABLE INFORMATION ON THE QUESTIONNAIRE, THE TRUSTEE SIGNS AN ACKNOWLEDGMENT STATEMENT THAT (S)HE HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, HAS READ, UNDERSTANDS, AND AGREES TO COMPLY WITH IT, AND UNDERSTANDS THAT THE ORGANIZATION IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION STATUS IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES. RESPONSES ARE SUMMARIZED AND COLLECTIVELY REVIEWED BY THE AUDIT & COMPLIANCE COMMITTEE OF ARCHBOLD MEDICAL CENTER, INC. DURING EACH BOARD MEETING, THE CHAIRMAN INQUIRES IF ANY TRUSTEE HAS AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST RELATED TO ANY AGENDA ITEM. IF THE TRUSTEE DISCLOSES ANY SUCH INTEREST, THE TRUSTEE IS EXCUSED FROM THE MEETING WHILE THE DETERMINATION AS TO WHETHER AN ACTUAL CONFLICT OF INTEREST EXISTS IS DISCUSSED AND VOTED UPON BY DISINTERESTED MEMBERS OF THE BOARD AND COMMITTEE. IF INVITED TO DO SO, THE TRUSTEE WITH A POTENTIAL CONFLICT MAY RESPOND TO QUESTIONS PUT FORTH BY FELLOW DISINTERESTED TRUSTEES REGARDING ANY PROPOSED TRANSACTION OR ARRANGEMENT. THE MINUTES OF THE BOARD AND ALL COMMITTEES WITH BOARD-DELEGATED POWERS WILL CONTAIN THE NAME OF ANY INTERESTED PERSON/TRUSTEE WHO DISCLOSED OR WAS FOUND TO HAVE A FINANCIAL INTEREST IN CONNECTION WITH A TRANSACTION OR ARRANGEMENT RESULTING IN AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST, THE NATURE OF THE FINANCIAL INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND THE BOARD'S OR COMMITTEE'S DECISION AS TO WHETHER A CONFLICT OF INTEREST IN FACT EXISTED, AND THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSIONS AND VOTES RELATED TO THE TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSIONS, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION THEREWITH.</p>

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	ARCHBOLD MEDICAL CENTERS COMPENSATION COMMITTEE MAKES RECOMMENDATIONS TO THE FULL BOARD ON THE FOLLOWING POSITIONS THE PRESIDENT OF ARCHBOLD MEDICAL CENTER, THE PRESIDENT OF THE ARCHBOLD FOUNDATION, AND THE PRESIDENT OF ARCHBOLD HEALTH SERVICES ARCHBOLD MEDICAL CENTERS PRESIDENT ALSO PRESENTS RECOMMENDATIONS FOR ALL SENIOR VICE PRESIDENTS AND HOSPITAL VICE PRESIDENTS TO THE COMPENSATION COMMITTEE IN 2008, INTEGRATED HEALTHCARE SOLUTIONS (IHS) WAS ENGAGED BY THE BOARD TO REVIEW THE EXECUTIVE COMPENSATION PROGRAM AND MAKE RECOMMENDATIONS REGARDING PLAN DESIGN AND ACTUAL COMPENSATION INCLUDING BENEFITS IN 2009, IHS PROVIDED UPDATED RECOMMENDATIONS ON COMPENSATION TO THE COMPENSATION COMMITTEE FOR YEARS 2010 AND 2011, THE BOARD CONTINUED TO UTILIZE IHS TO PERFORM MARKET ANALYSIS, REVIEW EXECUTIVE COMPENSATION, AND MAKE RECOMMENDATIONS

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SEE NARRATIVE FOR 15A

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	NO DOCUMENTS ARE OR WILL BE MADE AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
RELATED ORGANIZATIONS	FORM 990, PAGE 7, PART VII	AVERAGE WEEKLY HOURS DEVOTED TO RELATED ORGANIZATIONS J PERRY MUSTIAN 50 HOURS CHARLES HIGHTOWER 48 HOURS EDWARD HALL 2 HOURS BRYANT BEADLES 1 HOUR DAN AUTRY 4 HOURS GARY BONVILLIAN 1 HOUR IMOGENE CONYERS 1 HOUR NATHANIEL ABRAMS 1 HOUR RICHARD SINGLETARY 1 HOUR RICHARD KERENSKY 1 HOUR SUE GARFIELD 1 HOUR TIMOTHY JONES 1 HOUR TOM CALLAWAY 1 HOUR W MERRILL HICKS 1 HOUR WALLACE GOODMAN 2 HOURS

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS AND LOSSES ON INVESTMENTS 279,145

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
JOHN D ARCHBOLD MEMORIAL
HOSPITAL INC

Employer identification number

58-0566121

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ARCHBOLD FOUNDATION INC PO BOX 620 THOMASVILLE, GA 317990620 58-1559677	FOUNDATION	GA	501C3	11A	AMC ARCHBOLD MEDICAL CENTER INC		No
(2) ARCHBOLD HEALTH SERVICES INC PO BOX 620 THOMASVILLE, GA 317990620 58-1376434	HEALTHCARE	GA	501C3	9	AMC ARCHBOLD MEDICAL CENTER INC		No
(3) ARCHBOLD MEDICAL CENTER INC PO BOX 1018 THOMASVILLE, GA 317991018 58-1552650	HEALTHCARE	GA	501C3	3	NA		No
(4) ARCHBOLD MEDICAL GROUP INC P O BOX 620 THOMASVILLE, GA 317990620 26-2988454	PHYSICIANS	GA	501C3	3	AMC ARCHBOLD MEDICAL CENTER INC		No

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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage 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) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ARCHBOLD MEDICAL ENTERPRISES 400 OLD ALBANY ROAD THOMASVILLE, GA31792 58-1494513	HEALTHCARE	GA	N/A				

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

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

No

1k

No

1l

No

1m

Yes

1n

Yes

1o

No

1p

No

1q

No

1r

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) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

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
------------	------------------	-------------

ARCHBOLD MEDICAL CENTER, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

for the years ended September 30, 2011 and 2010

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Archbold Medical Center, Inc. and Subsidiaries
Thomasville, Georgia

We have audited the accompanying consolidated balance sheets of Archbold Medical Center, Inc. and Subsidiaries (Medical Center) as of September 30, 2011 and 2010, and the related consolidated statements of revenue and support, expenses and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Medical Center's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We have 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 Archbold Medical Center, Inc. and Subsidiaries as of September 30, 2011 and 2010 and the results of their operations, changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Druffin + Tucker, LLP".

Albany, Georgia
January 17, 2012

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
as of September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 55,451,989	\$ 40,344,954
Patient accounts receivable (less estimated uncollectibles of \$42,110,000 in 2011 and \$41,661,000 in 2010)	47,565,534	49,802,642
Estimated third-party payor settlements	255,909	892,781
Supplies, at lower of cost (first-in, first-out) or market	3,289,217	3,144,827
Other current assets	<u>4,141,903</u>	<u>6,075,724</u>
Total current assets	<u>110,704,552</u>	<u>100,260,928</u>
Assets limited as to use:		
Internally designated for capital acquisition	55,607,314	51,253,590
By lease for capital acquisition	11,623,444	9,790,838
Under trust agreement for liability claims	27,792,878	27,715,651
Archbold Foundation, Inc.	68,374,976	71,855,953
Permanently restricted by donors	2,446,192	2,243,517
Under bond indenture agreement	<u>14,675,228</u>	<u>66,329,482</u>
Total assets limited as to use	<u>180,520,032</u>	<u>229,189,031</u>
Property and equipment, net	<u>230,075,434</u>	<u>170,136,776</u>
Other assets:		
Long-term investments	88,409,444	95,180,140
Investments in unconsolidated companies	351,537	351,537
Other non-current assets	<u>3,886,660</u>	<u>5,534,304</u>
Total other assets	<u>92,647,641</u>	<u>101,065,981</u>
Total assets	\$ <u>613,947,659</u>	\$ <u>600,652,716</u>

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	\$ 1,575,000	\$ 1,470,000
Accounts payable	18,475,779	10,519,401
Estimated third-party payor settlements	7,632,742	7,747,257
Accrued expenses:		
Salaries and compensation	11,126,954	10,468,900
Employee benefits	12,171,306	11,104,226
Malpractice and general	2,376,300	3,337,500
Other	<u>3,631,438</u>	<u>17,920,416</u>
Total current liabilities	56,989,519	62,567,700
Accrued malpractice and general, net of current portion	5,886,396	8,571,299
Long-term debt, net of current installments:		
Revenue certificates payable	<u>127,135,000</u>	<u>128,710,000</u>
Total liabilities	<u>190,010,915</u>	<u>199,848,999</u>
Net assets:		
Unrestricted	409,823,588	384,933,263
Temporarily restricted	11,666,964	13,626,937
Permanently restricted	<u>2,446,192</u>	<u>2,243,517</u>
Total net assets	<u>423,936,744</u>	<u>400,803,717</u>
 Total liabilities and net assets	 \$ <u>613,947,659</u>	 \$ <u>600,652,716</u>

The independent auditor's report and accompanying
notes are integral parts of these financial statements.

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REVENUE AND SUPPORT, EXPENSES
AND CHANGES IN NET ASSETS

for the years ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 349,675,348	\$ 355,249,981
Provision for bad debts	(53,238,185)	(54,748,037)
Net patient service revenue	296,437,163	300,501,944
Other operating revenue	<u>4,808,511</u>	<u>5,353,027</u>
Total revenues, gains and other support	<u>301,245,674</u>	<u>305,854,971</u>
Operating expenses:		
Salaries and wages	114,887,465	115,844,741
Employee benefits	29,545,431	29,022,523
Patient care contracted services	25,323,803	24,623,109
Supplies and other expenses	91,793,757	91,590,358
Lease expense	76,000	360,784
Depreciation and amortization	17,955,775	16,845,919
Interest expense	<u>1,107,539</u>	<u>847,472</u>
Total operating expenses	<u>280,689,770</u>	<u>279,134,906</u>
Operating income	<u>20,555,904</u>	<u>26,720,065</u>
Nonoperating income (loss):		
Contributions	1,213,264	-
Investment income	2,104,608	5,546,803
Archbold Foundation, Inc.	(1,204,155)	4,099,656
Gain on disposition of assets and other	<u>31,945</u>	<u>30,376</u>
Total nonoperating income	<u>2,145,662</u>	<u>9,676,835</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REVENUE AND SUPPORT, EXPENSES
AND CHANGES IN NET ASSETS, Continued
for the years ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Unrestricted net assets:		
Excess of revenues over expenses	\$ 22,701,566	\$ 36,396,900
Change in net unrealized gains and losses on investments other than trading securities	(527,411)	645,195
Grants and donations for purchase of property and equipment	44,501	967,146
Net assets released from restriction	<u>2,671,669</u>	<u>1,389,781</u>
Increase in unrestricted net assets from continuing operations	24,890,325	39,399,022
Discontinued operations – loss on disposal of Early Memorial Hospital	<u>-</u>	(2,054,680)
Increase in unrestricted net assets	<u>24,890,325</u>	<u>37,344,342</u>
Temporarily restricted net assets:		
Temporarily restricted contributions	711,696	669,891
Net assets released from restriction	(2,671,669)	(1,389,781)
Decrease in temporarily restricted net assets	(1,959,973)	(719,890)
Permanently restricted net assets:		
Change in net realized and unrealized gains on investments	<u>202,675</u>	<u>77,763</u>
Increase in net assets	23,133,027	36,702,215
Net assets, beginning of year	<u>400,803,717</u>	<u>364,101,502</u>
Net assets, end of year	\$ <u>423,936,744</u>	\$ <u>400,803,717</u>

The independent auditor's report and accompanying notes are integral parts of these financial statements.

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
for the years ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 23,133,027	\$ 36,702,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gains and losses		
on investments other than trading securities	527,411	(645,195)
Grants and donations for purchase of property and equipment	(44,501)	(967,146)
Gain on disposal of assets	(31,945)	(30,376)
Discontinued operations – loss on disposal of Early Memorial Hospital	-	2,054,680
Net realized and unrealized gains and losses on permanently restricted investments	(202,675)	(77,763)
Depreciation and amortization	17,955,775	16,845,919
Provision for bad debts	53,238,185	54,748,037
(Increase) decrease in:		
Accounts receivable	(51,001,077)	(54,078,749)
Inventory and other current assets	1,789,431	2,186,898
Pledges receivable	166,887	(784,754)
Increase (decrease) in:		
Accounts payable	(196,470)	(3,463,334)
Accrued liabilities	(16,209,947)	1,521,775
Estimated third-party payor settlements	<u>522,357</u>	<u>(146,487)</u>
Net cash provided by operating activities	<u>29,646,458</u>	<u>53,865,720</u>
Cash flows from investing activities:		
Purchase of property and equipment	(69,709,640)	(38,002,862)
Sales of investments	154,036,165	70,876,770
Purchases of investments	<u>(97,440,449)</u>	<u>(158,553,880)</u>
Net cash used by investing activities	<u>(13,113,924)</u>	<u>(125,679,972)</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS, Continued
for the years ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from financing activities:		
Issuance of debt	\$ -	\$ 85,000,000
Repayment of long-term debt	(1,470,000)	(11,260,000)
Proceeds from restricted contributions	<u>44,501</u>	<u>967,146</u>
Net cash provided by financing activities	(<u>1,425,499</u>)	<u>74,707,146</u>
Net increase in cash and cash equivalents	15,107,035	2,892,894
Cash and cash equivalents, beginning of year	<u>40,344,954</u>	<u>37,452,060</u>
Cash and cash equivalents, end of year	\$ <u><u>55,451,989</u></u>	\$ <u><u>40,344,954</u></u>
Interest paid, net of capitalized interest	\$ <u><u>1,107,539</u></u>	\$ <u><u>847,472</u></u>

Noncash operating and investing activities:

Purchases of capital assets in accounts payable as of September 30, 2011 exist in the amount of \$8,152,848.

The independent auditor's report and accompanying notes are integral parts of these financial statements.

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Archbold Medical Center, Inc. as the parent corporation has sole control over its nonprofit subsidiaries, John D. Archbold Memorial Hospital, Inc., Archbold Health Services, Inc., Archbold Foundation, Inc., Archbold Medical Group, Inc. and sole ownership of its for-profit subsidiary, Archbold Medical Enterprises, Inc. John D. Archbold Memorial Hospital, Inc. operates John D. Archbold Memorial Hospital, Grady General Hospital, Brooks County Hospital, Mitchell County Hospital and Nursing Homes and Early Memorial Hospital and Nursing Home. As of September 30, 2010, the lease commitment for Early Memorial Hospital and Nursing Home has been terminated and corresponding assets have been released to the Hospital Authority of Early County. Archbold Health Services, Inc. provides facilities and support for home health care and ambulatory health care services. Archbold Foundation, Inc. solicits contributions and manages funds for the benefit of John D. Archbold Memorial Hospital, Inc. and Archbold Health Services, Inc. Archbold Medical Group, Inc. employs physicians and other support personnel to provide comprehensive health care services essential to the prevention and treatment of disease for the benefit of all individuals in the service area.

The consolidated financial statements include the accounts of Archbold Medical Center, Inc. and its wholly controlled or owned subsidiaries for the years ended September 30, 2011 and 2010. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit and investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or other arrangements under trust agreements or with third-party payors.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Medical Center analyzes a variety of information for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Medical Center provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectibles, deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a provision for bad debts equal to the receivable in the period of service, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Medical Center's provision for bad debts decreased approximately \$2,000,000 from approximately \$55,000,000 for fiscal year 2010 to approximately \$53,000,000 for fiscal year 2011. This was the result of a decrease in the volume of patients without insurance coverage in fiscal year 2011. The Medical Center has not changed its charity care or uninsured discount policies during fiscal years 2010 or 2011.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from excess of revenues over expenses unless the investments are trading securities.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Investments and Investment Income, Continued

Investments in unconsolidated companies represent the Medical Center's participation in joint ventures and partnerships, which are accounted for on the equity method.

Assets Limited As To Use

Assets limited as to use include assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

Assets limited by a lease agreement for capital acquisition include cash and investments to be used for future capital improvements to Grady General Hospital.

Assets under trust agreement for liability claims include cash and investments for payment of malpractice and general liability claims incurred by the Medical Center.

The Foundation represents funds and pledges receivable which can be used, at the discretion of the Board of Trustees, to support the activities of the Hospitals and Archbold Health Services.

Permanently restricted assets include investments to be held in perpetuity, the income which is expendable to support health care services.

Assets under bond indenture agreement include unspent bond proceeds and debt service reserve fund requirements by the 2010 Revenue Anticipation Certificates.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for hospital operations are recorded at fair value as additions to the unrestricted net assets when the assets are placed in service.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligation is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Cost of Borrowing

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.

Deferred Financing Cost

Costs related to the issuance of long-term debt were deferred and are being amortized using the effective interest method over the life of the related debt.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity.

Excess of Revenues Over Expenses

The consolidated statements of revenue and support, expenses and changes in net assets include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. 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.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Endowments

Endowments are provided to the Medical Center on a voluntary basis by individuals and private organizations. Permanent endowments require that the principal or purchasing power of the endowment be retained in perpetuity. If a donor has not provided specific instructions, state law permits the Medical Center's Board of Trustees to authorize for expenditure the net appreciation of the investments of endowment funds.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Medical Center 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 either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the 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 consolidated statements of revenue and support, expenses and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Estimated Malpractice and Other Self-Insurance Costs

The provisions for estimated medical malpractice claims and other claims under self-insurance plans include estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Income Taxes

The Medical Center, with the exception of Archbold Medical Enterprises, Inc., is a not-for-profit corporation that has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

The Medical Center applies accounting policies that prescribe when to recognize and how to measure the consolidated financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by the relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Medical Center only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses.

Based on the results of management's evaluation, no liability is recognized in the accompanying consolidated balance sheets for unrecognized income tax positions. Further, no interest or penalties have been accrued or charged to expense as of September 30, 2011 and 2010 or for the years then ended. The Medical Center's open audit periods are for tax years ended 2008-2010.

Impairment of Long-Lived Assets

The Medical Center evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value. In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate. The Medical Center has not recorded any impairment charges in the accompanying consolidated statements of revenue and support, expenses and changes in net assets for the years ended September 30, 2011 and 2010.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

1. Description of Organization and Summary of Significant Accounting Policies, Continued

Fair Value Measurements

FASB ASC 820, *Fair Value Measurement and Disclosures* defines fair value as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. FASB ASC 820 describes the following three levels of inputs that may be used:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.
- Level 3: Unobservable inputs when there is little or no market data available, thereby requiring an entity to develop its own assumptions. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Subsequent Event

In preparing these consolidated financial statements, the Medical Center has evaluated events and transactions for potential recognition or disclosure through January 17, 2012, the date the consolidated financial statements were issued.

Prior Year Reclassifications

Certain reclassifications have been made to the fiscal year 2010 consolidated financial statements to conform to the fiscal year 2011 presentation. These reclassifications had no impact on the change in net assets in the accompanying consolidated financial statements.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

2. Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. The Medical Center does not believe that there are any significant credit risks associated with receivables due from third-party payors.

For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by the policy). On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a provision for bad debts equal to charges related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	Patient Service Revenue (Net of Contractual Allowances and Discounts)	
	<u>2011</u>	<u>2010</u>
Third-party payors	\$ 298,860,948	\$ 299,897,372
Self-pay	<u>50,814,400</u>	<u>55,352,609</u>
Total all payors	\$ <u>349,675,348</u>	\$ <u>355,249,981</u>

A summary of the payment arrangements with major third-party payors follows:

- Medicare

Inpatient acute and nonacute care services and outpatient services rendered to Medicare program beneficiaries by John D. Archbold Memorial Hospital and Grady General Hospital are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient acute and nonacute care services and outpatient services rendered to Medicare program beneficiaries by Brooks County Hospital, Mitchell County Hospital and Early Memorial Hospital are paid based on a cost reimbursement methodology.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

2. Net Patient Service Revenue, Continued

- Medicare, Continued

Inpatient rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge.

Inpatient psychiatric services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge.

Nursing Home services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system called Resource Utilization Groups (RUGs).

The Medical Center is reimbursed for certain reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary. The Medical Center's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Medical Center. All hospital Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2006.

- Medicaid

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services rendered to the Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Medical Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid fiscal intermediary. All hospital Medicaid cost reports have been audited by the Medicaid fiscal intermediary through September 30, 2007.

The Medical Center has also entered into contracts with certain managed care organizations to receive reimbursement for providing services to selected enrolled Medicaid beneficiaries. Payment arrangements with these managed care organizations consist primarily of prospectively determined rates per discharge, discounts from established charges, or prospectively determined per diems.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

2. Net Patient Service Revenue, Continued

- Medicaid, Continued

Long-term care services are reimbursed by the Medicaid program based on a prospectively determined per diem. The per diem is determined by the facility's historical allowable operating costs adjusted for certain incentives and inflation factors.

The hospitals within the Medical Center participate in the Georgia Indigent Care Trust Fund (ICTF) Program. The hospitals receive ICTF payments for treating a disproportionate number of Medicaid and other indigent patients. ICTF payments are based on the hospitals' estimated uncompensated cost of services to Medicaid and uninsured patients. The amount of ICTF payments recognized in net patient service revenue was approximately \$3,698,000 and \$4,407,000 for the years ended September 30, 2011 and 2010, respectively.

During 2010, the state of Georgia enacted legislation known as the Provider Payment Agreement Act (the Act) whereby hospitals in the state of Georgia are assessed a "provider payment" in the amount of 1.45% of their net patient revenue. The Act became effective July 1, 2010, the beginning of state fiscal year 2011. The provider payments are due on a quarterly basis to the Department of Community Health. The payments are to be used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients. The provider payment will result in an increase in hospital payments on Medicaid services of approximately 11.88%. Approximately \$3,682,000 in 2011 and \$1,271,000 in 2010 relating to provider payments are included in supplies and other expenses in the accompanying consolidated statements of revenue and support, expenses and changes in net assets.

Revenue from the Medicare and Medicaid programs accounted for approximately 25 percent and 17 percent, respectively, of the Medical Center's net patient service revenue for the year ended September 30, 2011. 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 will change by a material amount in the near term.

The Medical Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. However, there has been an increase in regulatory initiatives at the state and

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

2. Net Patient Service Revenue, Continued

federal levels including the initiation of the Recovery Audit Contractor (RAC) program and the Medicaid Integrity Contractor (MIC) program. These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue improper payments made on or after October 1, 2007. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

- Other Arrangements

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

3. Concentrations of Credit Risk

The Medical Center, located in Southwest Georgia, grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at September 30, 2011 and 2010, was as follows:

	<u>2011</u>	<u>2010</u>
Medicare	48%	50%
Medicaid	14%	11%
Other third-party payors and patients	<u>38%</u>	<u>39%</u>
	<u>100%</u>	<u>100%</u>

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of patients comprising the receivables base.

The Medical Center maintains deposits/investments with financial institutions in excess of amounts insured. Management believes the credit risks related to these deposits/investments is minimal.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

4. Investments

Assets Limited As To Use

The composition of assets limited as to use at September 30, 2011 and 2010 is set forth in the following table. Investments are stated at fair value.

	<u>2011</u>	<u>2010</u>
Internally designated for capital acquisition (other than trading):		
Cash and cash equivalents	\$ 15,937,339	\$ 6,110,620
Certificates of deposit	101,186	101,186
Corporate bonds	251,080	255,708
Municipal bonds	1,274,675	1,794,246
Federal agency bonds	32,855,130	37,667,439
Mortgage backed securities	4,919,116	5,027,247
Interest receivable	<u>268,788</u>	<u>297,144</u>
	<u>55,607,314</u>	<u>51,253,590</u>
By lease for capital acquisition (other than trading):		
Cash and cash equivalents	9,109,019	7,121,629
Certificates of deposit	100,000	-
Corporate bonds	200,864	-
Municipal bonds	171,695	260,078
Federal agency bonds	1,449,149	2,409,131
Mortgage backed securities	<u>592,717</u>	<u>-</u>
	<u>11,623,444</u>	<u>9,790,838</u>
Under trust agreement for liability claims (trading):		
Cash and cash equivalents	1,763,625	2,909,375
Marketable securities	26,000,904	24,772,864
Interest receivable	<u>28,349</u>	<u>33,412</u>
	<u>27,792,878</u>	<u>27,715,651</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

4. Investments, Continued

Assets Limited As To Use, Continued

	<u>2011</u>	<u>2010</u>
Archbold Foundation, Inc.:		
Investment portfolios (trading):		
Cash equivalents	\$ 2,189,686	\$ 1,284,332
Money market funds	38,626	-
Mutual funds	1,486,504	1,297,212
Marketable securities	29,317,567	30,056,036
Fixed income securities	26,369,430	30,643,184
Proprietary funds	451,952	592,253
Alternative investments	<u>5,914,354</u>	<u>5,597,814</u>
	65,768,119	69,470,831
Cash and cash equivalents	877,545	488,923
Pledges receivable	<u>1,729,312</u>	<u>1,896,199</u>
	<u>68,374,976</u>	<u>71,855,953</u>
Permanently restricted by donors (other than trading):		
Cash and cash equivalents	65,338	73,811
Corporate bonds	98,624	294,471
Marketable securities	1,988,745	1,798,188
Miscellaneous assets	<u>293,485</u>	<u>77,047</u>
	<u>2,446,192</u>	<u>2,243,517</u>
Under bond indenture agreement (other than trading):		
Cash and cash equivalents	9,790,763	2,050,583
Certificates of deposit	-	56,891,299
Federal home loan securities	<u>4,884,465</u>	<u>7,387,600</u>
	<u>14,675,228</u>	<u>66,329,482</u>
Total assets limited as to use	\$ <u>180,520,032</u>	\$ <u>229,189,031</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

4. Investments, Continued

Long-term investments, stated at fair value, at September 30, 2011 and 2010, include:

	<u>2011</u>	<u>2010</u>
Other than trading:		
Cash and cash equivalents	\$ 224,464	\$ 86,991
Certificates of deposit	600,000	1,385,996
Mutual funds	1,243,361	79,478
Corporate bonds	273,561	294,683
Municipal bonds	2,065,972	4,954,978
Federal agency bonds	74,612,811	77,547,661
Collateralized mortgage obligations	225,853	-
Marketable securities	1,175,451	1,947,288
Mortgage backed securities	<u>7,987,971</u>	<u>8,883,065</u>
Total long-term investments	\$ <u>88,409,444</u>	\$ <u>95,180,140</u>

Investment income and gains (losses) for cash and cash equivalents, assets limited as to use, and long-term investments are comprised of the following for the years ended September 30, 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Income:		
Interest and dividend income	\$ 4,612,230	\$ 4,979,235
Realized gains on sales of securities	1,176,052	3,053,541
Unrealized gains (losses) on trading securities	(<u>4,313,782</u>)	<u>2,295,499</u>
Total income	\$ <u>1,474,500</u>	\$ <u>10,328,275</u>

Other changes in unrestricted net assets:

Unrealized gains and losses on investments other than trading securities	\$ (<u>527,411</u>)	\$ <u>645,195</u>
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ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

4. Investments, Continued

The following table provides a summary of the Medical Center's investments as of September 30, 2011 and 2010 for which the cost basis of securities exceeds fair value, aggregated by investment category and length of time individual securities have been in a continuous loss position:

	<u>Less Than 12 Months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
<u>September 30, 2011</u>						
Municipal bonds	\$ 796,517	\$ (7,728)	\$ 1,704,167	\$ (76,831)	\$ 2,500,684	\$ (84,559)
Federal agency bonds	48,592,450	(303,098)	3,613,127	(124,902)	52,205,577	(428,000)
Marketable securities	1,664,915	(213,805)	793,055	(205,714)	2,457,970	(419,519)
Mortgage backed securities	<u>5,273,594</u>	<u>(72,362)</u>	<u>2,497,747</u>	<u>(26,267)</u>	<u>7,771,341</u>	<u>(98,629)</u>
Total	\$ <u>56,327,476</u>	\$ <u>(596,993)</u>	\$ <u>8,608,096</u>	\$ <u>(433,714)</u>	\$ <u>64,935,572</u>	\$ <u>(1,030,707)</u>
<u>September 30, 2010</u>						
Certificates of deposit	\$ 249,788	\$ (213)	\$ -	\$ -	\$ 249,788	\$ (213)
Corporate bonds	25,179	(391)	-	-	25,179	(391)
Municipal bonds	1,418,694	(8,358)	3,222,077	(99,867)	4,640,771	(108,225)
Federal agency bonds	32,507,661	(132,954)	3,512,685	(114,337)	36,020,346	(247,291)
Marketable securities	302,007	(36,580)	709,020	(239,051)	1,011,027	(275,631)
Mortgage backed securities	<u>4,347,722</u>	<u>(27,375)</u>	<u>39,430</u>	<u>(353)</u>	<u>4,387,152</u>	<u>(27,728)</u>
Total	\$ <u>38,851,051</u>	\$ <u>(205,871)</u>	\$ <u>7,483,212</u>	\$ <u>(453,608)</u>	\$ <u>46,334,263</u>	\$ <u>(659,479)</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

4. Investments, Continued

Management evaluates securities for other-than temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Medical Center to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

At September 30, 2011, the 145 debt securities with unrealized losses have depreciated 1.6% from the Medical Center's amortized cost basis. The majority of these securities are either guaranteed by the U. S. Government or other governments.

Corporate Bonds, Federal Agency Bonds, Municipal Bonds. The unrealized losses on the Medical Center's investment in bonds relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As management has the ability to hold debt securities until maturity, or for the foreseeable future, no declines are deemed to be other-than-temporary.

Marketable Securities, Mortgage Backed Securities. The Medical Center's investments in marketable securities and mortgage backed securities consist primarily of investments in common stock. Based on the Medical Center's evaluation of the common stock and their ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, no declines are deemed to be other-than-temporary.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

5. Property and Equipment

A summary of property and equipment at September 30, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Land	\$ 8,550,701	\$ 8,382,418
Land improvements	5,200,998	5,153,603
Buildings	95,167,618	92,862,385
Fixed equipment	69,806,835	66,605,995
Major movable equipment	149,173,218	141,967,770
Leasehold improvements	<u>10,426,500</u>	<u>10,294,390</u>
	338,325,870	325,266,561
Less accumulated depreciation and amortization	<u>189,586,380</u>	<u>172,025,552</u>
	148,739,490	153,241,009
Construction in progress	<u>81,335,944</u>	<u>16,895,767</u>
Property and equipment, net	\$ <u>230,075,434</u>	\$ <u>170,136,776</u>

Depreciation expense for the years ended September 30, 2011 and 2010 amounted to approximately \$17,878,000 and \$16,792,000, respectively. Construction contracts of approximately \$129,306,000 exist for the remodeling and construction of the Medical Center's facilities. At September 30, 2011, the remaining commitment on these contracts approximated \$58,034,000.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

6. Long-Term Debt

A summary of long-term debt at September 30, 2011 and 2010 follows:

	<u>2011</u>	<u>2010</u>
Revenue Certificates, Series 2009A maturing in installments of \$530,000 to \$2,165,000 each November 1 beginning in 2030 until 2039. The certificates are secured by a letter of credit and bear a variable rate of interest.	\$ 17,840,000	\$ 17,840,000
Revenue Certificates, Series 2009B maturing in installments of \$1,575,000 to \$2,470,000 each November 1 until 2023. The certificates are secured by a letter of credit and bear a variable rate of interest.	25,870,000	27,340,000
Revenue Certificates, Series 2010 maturing in installments of \$785,000 to \$7,665,000 each November 1 beginning in 2013 until 2040. The certificates are secured by gross revenue and bear a fixed interest rate of 3.00% to 5.375%.	<u>85,000,000</u>	<u>85,000,000</u>
Total long-term debt	128,710,000	130,180,000
Less current installments	<u>1,575,000</u>	<u>1,470,000</u>
Long-term debt, net of current installments	\$ <u>127,135,000</u>	\$ <u>128,710,000</u>

In July 2009, the Authority issued Series 2009B Revenue Anticipation Certificates in the amount of \$28,600,000 for the purpose of (i) paying off the Authority's Series 1997 and Series 2003 Certificates (John D. Archbold Memorial Hospital, Inc.) in the aggregate outstanding principal amount of \$27,700,000 and (ii) paying the costs of issuance of the Series 2009B Certificates.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

6. Long-Term Debt, Continued

Simultaneously with the issuance of the 2009B Certificates, the Authority issued Series 2009A Revenue Anticipation Certificates in the amount of \$27,840,000 for the purpose of (i) financing improvements to the hospital's medical and related administrative facilities and (ii) paying the costs of issuance of the Series 2009A Certificates.

In May 2010, the Authority issued Series 2010 Revenue Anticipation Certificates in the amount of \$85,000,000 for the purpose of (i) financing the acquisition, construction and equipping of certain health care facilities, (ii) funding a debt service reserve fund, (iii) refunding \$10,000,000 of the Series 2009A Certificates, and (iv) paying for the costs of issuance of the Series 2010 Certificates.

The terms of the 2009 and 2010 revenue certificates place limits on the incurrence of additional borrowings and require that the Medical Center satisfy certain measures of financial performance as long as the notes are outstanding.

Scheduled principal repayments on long-term debt for the next five years are as follows:

<u>Year Ending September 30,</u>	<u>Long-Term Debt</u>
2012	\$ 1,575,000
2013	1,680,000
2014	2,520,000
2015	2,595,000
2016	2,675,000
Thereafter	<u>117,665,000</u>
Total	\$ <u>128,710,000</u>

A summary of interest cost on borrowed funds held by the trustee under the 2009 and 2010 revenue bond indentures during the years ended September 30, 2011 and 2010, follows:

	<u>2011</u>	<u>2010</u>
Interest cost:		
Capitalized	\$ 3,814,000	\$ 2,133,000
Charged to operations	<u>633,000</u>	<u>54,000</u>
Total	\$ <u>4,447,000</u>	\$ <u>2,187,000</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Purchase of fixed assets after matching contributions are received	\$ <u>11,666,964</u>	\$ <u>13,626,937</u>

Archbold Foundation, Inc. received a contribution of approximately \$16,000,000 during fiscal year 2008. This contribution is to be released from restriction to be used for construction projects as matching contributions are received.

Permanently restricted net assets at September 30, 2011 and 2010, are restricted to:

	<u>2011</u>	<u>2010</u>
Investments to be held in perpetuity, the income from which is expendable to support health care services	\$ <u>2,446,192</u>	\$ <u>2,243,517</u>

Endowment Fund

The Medical Center's donor-restricted healthcare endowment fund was established to support health care services. As required by generally accepted accounting principles, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Medical Center has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act (GUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Medical Center classifies as permanently restricted net assets (a) the original value of its gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

7. Temporarily and Permanently Restricted Net Assets, Continued

Endowment Fund, Continued

amounts are appropriated for expenditure by the Medical Center in a manner consistent with the standard of prudence prescribed by GUPMIFA. In accordance with GUPMIFA, the Medical Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Medical Center, and (7) the Medical Center's investment policies.

The Medical Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets over the long-term. Endowment assets include assets of donor-restricted funds that the Medical Center must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce positive results while assuming a moderate level of investment risk. The Medical Center expects its endowment fund, over time, to provide an average rate of return of approximately 3.5 percent annually. Actual results in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. The Medical Center's current spending policy is to reinvest the earnings into the existing endowment investments.

Changes in endowment net assets as of September 30, 2011 and 2010 are as follows:

	<u>Permanently Restricted Endowment Assets</u>	
	<u>2011</u>	<u>2010</u>
Endowment net assets, beginning of year	\$ 2,243,517	\$ 2,165,754
Investment income	<u>202,675</u>	<u>77,763</u>
Endowment net assets, end of year	\$ <u>2,446,192</u>	\$ <u>2,243,517</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

8. Uncompensated Services

The Medical Center was compensated for services at amounts less than its established rates. Charges for uncompensated services for 2011 and 2010 were approximately \$469,161,000 and \$430,934,000, respectively.

Uncompensated care includes charity and indigent care services of approximately \$33,859,000 and \$27,099,000 in 2011 and 2010, respectively. The cost of charity and indigent care services provided during 2011 and 2010 were approximately \$14,725,000 and \$12,323,000, respectively, computed by applying a total cost factor to the charges foregone.

The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2011 and 2010.

	<u>2011</u>	<u>2010</u>
Gross patient charges	\$ <u>765,597,924</u>	\$ <u>731,436,113</u>
Uncompensated services:		
Charity and indigent care	33,858,795	27,099,080
Medicare	317,312,056	258,673,676
Medicaid	34,580,893	63,111,889
Other allowances	30,170,832	27,301,487
Bad debts	<u>53,238,185</u>	<u>54,748,037</u>
Total uncompensated care	<u>469,160,761</u>	<u>430,934,169</u>
Net patient service revenue	\$ <u>296,437,163</u>	\$ <u>300,501,944</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

9. Functional Expenses

The Medical Center provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 164,070,817	\$ 163,787,752
Administrative and general	97,555,639	97,653,763
Depreciation and amortization	17,955,775	16,845,919
Interest expense	<u>1,107,539</u>	<u>847,472</u>
Total	\$ <u>280,689,770</u>	\$ <u>279,134,906</u>

10. Employee Thrift Savings Plan

The Medical Center has a defined contribution pension plan covering substantially all eligible employees. Each year, participants may contribute up to 100% of pretax annual compensation as defined in the Plan, subject to Internal Revenue Code limitations. For participants who have completed one year of service, the Medical Center makes matching contributions on a graduated scale ranging from 1 – 2 years of service – 25% of the first 6% of employee contributions to 6 years or more years of service – 50% of the first 6% of employee contributions. The total contribution expense for the Plan amounted to approximately \$1,621,000 and \$1,548,000 in 2011 and 2010, respectively.

11. Self-Insurance – Employee Health Plan

The Medical Center has a self-insurance program for employee health claims, in which the Medical Center processes and pays claims. The Medical Center has purchased stop-loss insurance coverage for claims in excess of \$150,000 for each individual employee. Total expenses relative to this plan were approximately \$12,369,000 and \$11,097,000 for 2011 and 2010, respectively.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

12. Fair Values of Financial Instruments

The following methods and assumptions were used by the Medical Center in estimating the fair value of its financial instruments:

- Cash and cash equivalents: The carrying amount reported in the consolidated balance sheets for cash and cash equivalents approximates its fair value.
- Estimated third-party payor settlements: The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value.
- Assets limited as to use: Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.
- Long-term investments: Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.
- Accounts payable and accrued expenses: The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.
- Long-term debt: Fair values of the Hospital's revenue notes are based on current traded value. The fair value of the Hospital's remaining long-term debt is estimated using discounted cash flow analyses, based on the Medical Center's current incremental borrowing rates for similar types of borrowing arrangements.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

12. Fair Values of Financial Instruments, Continued

The carrying amounts and fair values of the Medical Center's financial instruments at September 30, 2011 and 2010 are as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 55,451,989	\$ 55,451,989	\$ 40,344,954	\$ 40,344,954
Estimated third-party payor settlements (asset)	\$ 255,909	\$ 255,909	\$ 892,781	\$ 892,781
Assets limited as to use	\$180,520,032	\$180,520,032	\$229,189,031	\$229,189,031
Long-term investments	\$ 88,409,444	\$ 88,409,444	\$ 95,180,140	\$ 95,180,140
Accounts payable and accrued expenses	\$ 53,668,173	\$ 53,668,173	\$ 61,921,742	\$ 61,921,742
Estimated third-party payor settlements (liability)	\$ 7,632,742	\$ 7,632,742	\$ 7,747,257	\$ 7,747,257
Long-term debt	\$128,710,000	\$130,066,000	\$130,180,000	\$130,180,000

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

12. Fair Values of Financial Instruments, Continued

Fair values of assets measured on a recurring basis at September 30, 2011 and 2010 are as follows:

Fair Value Measurements At Reporting Date Using				
<u>September 30, 2011</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Cash and cash equivalents	\$ 39,957,779	\$ 39,957,779	\$ -	\$ -
Certificates of deposit	801,186	-	801,186	-
Money market funds	38,626	38,626	-	-
Mutual funds	2,729,865	2,729,865	-	-
Corporate bonds	824,129	-	824,129	-
Municipal bonds	3,512,342	3,512,342	-	-
Federal agency bonds	108,917,090	108,917,090	-	-
Collateralized mortgage obligations	225,853	225,853	-	-
Federal home loan securities	4,884,465	4,884,465	-	-
Marketable securities	58,482,667	58,482,667	-	-
Mortgage backed securities	13,499,804	13,499,804	-	-
Fixed income securities	26,369,430	26,369,430	-	-
Proprietary funds	451,952	451,952	-	-
Alternative investments	5,914,354	-	5,914,354	-
Interest receivable	297,137	297,137	-	-
Pledges receivable	197,000	-	-	197,000
Miscellaneous assets	<u>293,485</u>	<u>293,485</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>267,397,164</u>	\$ <u>259,660,495</u>	\$ <u>7,539,669</u>	\$ <u>197,000</u>

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

12. Fair Values of Financial Instruments, Continued

		Fair Value Measurements At Reporting Date Using		
<u>September 30, 2010</u>	<u>Fair Value</u>	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	\$ 20,126,264	\$ 20,126,264	\$ -	\$ -
Certificates of deposit	58,378,481	-	58,378,481	-
Mutual funds	1,376,690	1,376,690	-	-
Corporate bonds	844,862	-	844,862	-
Municipal bonds	7,009,302	7,009,302	-	-
Federal agency bonds	125,011,831	125,011,831	-	-
Marketable securities	58,574,376	58,574,376	-	-
Mortgage backed securities	13,910,312	13,910,312	-	-
Fixed income securities	30,643,184	30,643,184	-	-
Proprietary funds	592,253	592,253	-	-
Alternative investments	5,597,814	-	5,597,814	-
Interest receivable	330,556	330,556	-	-
Pledges receivable	889,556	-	-	889,556
Miscellaneous assets	<u>77,047</u>	<u>77,047</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>323,362,528</u>	\$ <u>257,651,815</u>	\$ <u>64,821,157</u>	\$ <u>889,556</u>

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar investments in active or inactive markets. Financial assets using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset. Valuation techniques utilized to determine fair value are consistently applied.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

13. Commitments and Contingencies

Lease Commitments - Grady County Hospital Authority

Pursuant to a lease agreement with Grady County Hospital Authority (Authority), John D. Archbold Memorial Hospital, Inc. (Archbold) leased substantially all property, plant and equipment known as Grady General Hospital (Grady) from the Authority under the terms of a 15 year lease which expired in July 2001. The terms of the lease shall automatically extend for four successive periods of 15 years each, effective on August 1, 2001.

Under the terms of the lease, Archbold shall pay rent consisting of reasonable costs incurred by the Authority in performing its duties.

Pursuant to the terms of the lease, the current assets and current liabilities of the Authority were transferred to Archbold effective November 1, 1985. During the term of the lease, the expenses of operating the leased premises as a hospital will be paid by Archbold, and all revenues, materials, property and service rendered or received from any and all other sources will be collected, received, and become the property of Archbold. Archbold agrees to make repairs to the leased premises as necessary and to maintain specified insurance coverage. Property made unusable by ordinary wear and deterioration is to be replaced from the net revenues of Grady, and any such replacement property will be owned by the Authority. Property brought onto the premises by Archbold, which is not replacement property and was not acquired from the net revenues of Grady, remains Archbold's property. Revenues in excess of costs will be reinvested in improvements of Grady and become the property of the Authority. Archbold has agreed not to deny urgent or emergency care to any person based upon an inability to pay.

Pursuant to the lease agreement, the Authority transferred the net working capital of Grady to Archbold for use in the operation of Grady General Hospital. In lieu thereof, Archbold agreed to deliver to the Authority, should it cancel the lease during the original lease period or first extension thereof, a sum equal to one month's average operating expenses, for the twelve-month period prior to notification of intent to cancel or terminate the lease. Should Archbold renew the lease for the second renewal period and decide to cancel during or at the end of the second or subsequent renewal periods, it will pay to the Authority a sum equal to two months average operating expenses for the twelve-month period prior to notification of intent to cancel the lease. This requirement will be waived if the Authority and Archbold negotiate a new lease at the end of the fourth renewal period.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

13. Commitments and Contingencies, Continued

Lease Commitments – Hospital Authority of Brooks County

On June 1, 1987, John D. Archbold Memorial Hospital, Inc. (Archbold) entered into a lease agreement with the Hospital Authority of Brooks County (Authority) to lease substantially all property, plant and equipment known as Brooks County Hospital (Brooks) from the Authority under the terms of a five year lease which expired December 31, 1992. The initial terms of the lease shall automatically extend for seven additional periods of five years each unless written notice of intent to terminate the lease is given to the Authority no less than 180 days prior to the end of the initial five-year lease period or any extension thereof.

Under the terms of the lease, Archbold shall pay semi-annual rental payments of \$35,000 on January 1 and July 1 of each year beginning in 1988. The base rental for and during any renewal term hereof shall be \$1 per year; provided, however, that Archbold will pay as additional rental, after the initial term hereof, up to \$25,000 per year in indigent care services for the benefit of indigent citizens of Brooks County.

As additional rental, Archbold shall assume, obtain and retain all assets and liabilities of Brooks County Hospital as of June 1, 1987, with the exception of the following assets and liabilities: the trust indenture as related to The Hospital Authority of Brooks County, Georgia Revenue Anticipation Refunding Certificates, Series 1976, dated as of April 1, 1976, including the aggregate amount of all unpaid principal and interest thereunder, which is not the responsibility of Archbold; any liabilities related to any claims, suits, causes of action and the like related to malpractice or other theories of liability which arose or are claimed to have arisen prior to July 1, 1986; all personal and real property of The Authority; and the restricted funds known as the Wilson Trust Fund and the Roundtree Trust Fund.

Pursuant to the terms of the lease, the current assets and current liabilities of the Authority were transferred to Archbold effective June 1, 1987. During the term of the lease, the expenses of operating the leased premises as a hospital will be paid by Archbold, and all revenues, materials, property and services rendered or received from any and all other sources will be collected, received, and become the property of Archbold. Archbold agrees to make repairs to the leased premises as necessary and to maintain specified insurance coverage. Property made unusable by ordinary wear and deterioration is to be replaced from the revenues of Brooks and any such replacement property will be owned by the Authority. Property brought onto the premises by Archbold, which is not replacement property and was not acquired from the net revenues of Brooks, remains Archbold's property. Revenues in excess of costs will be reinvested in improvements to Brooks and become the property of the Authority. Archbold has agreed not to deny urgent or emergency care to any person based upon an inability to pay.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

13. Commitments and Contingencies, Continued

Lease Commitments - Hospital Authority of Mitchell County

John D. Archbold Memorial Hospital, Inc. (Archbold) entered into a lease agreement on October 1, 1990 with the Hospital Authority of Mitchell County (Authority) to lease substantially all property, plant, and equipment of Mitchell County Hospital, Mitchell Convalescent Center, and Pelham Parkway Nursing Home (facilities). The lease shall continue for a period of fifteen years with an automatic first renewal term of fifteen years followed by a second renewal term of ten years. The lease may be terminated by Archbold without cause by giving notice to the Authority of its intent to terminate at least one hundred eighty days prior to the expiration of any term.

As consideration for this lease agreement, Archbold will timely make all payments required of the Authority under the Revenue Anticipation Certificates, Series 1990, Revenue Certificates, Series 1980 and any other indebtedness of the Authority incurred with respect to the facilities with the approval of Archbold. The base rental after all Authority obligations have been satisfied in full shall be \$1 per year.

Pursuant to the terms of the lease, the current assets and current liabilities of the Authority were transferred to Archbold effective September 30, 1990. During the term of the lease, the expenses of operating the leased premises as a hospital will be paid by Archbold, and all revenues, materials, property and service rendered or received from any and all other sources will be collected, received, and become the property of Archbold. Archbold agrees to make repairs to the leased premises as necessary and to maintain specified insurance coverage. Property made unusable by ordinary wear and deterioration is to be replaced from the revenues of Mitchell County Hospital and related Nursing Homes and any such replacement property will be owned by the Authority. Property brought onto the premises by Archbold which is not replacement property and was not acquired from the net revenues of Mitchell County Hospital and related Nursing Homes, remains Archbold's property. Revenues in excess of costs will be reinvested in improvements to Mitchell County Hospital and related Nursing Homes and become the property of the Authority. Archbold has agreed not to deny urgent or emergency care to any person based upon an inability to pay.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

13. Commitments and Contingencies, Continued

Lease Commitments - The Hospital Authority of Early County

On July 1, 1995, John D. Archbold Memorial Hospital, Inc. (Archbold) entered into a lease agreement with the Hospital Authority of Early County (Authority) to lease the operations known as Early Memorial Hospital and Early Memorial Nursing Home from the Authority under the terms of a five year lease which expired May 31, 2000. The initial terms of the lease automatically extended for seven additional periods of five years each unless written notice of intent to terminate the lease is given to the Authority no less than 180 days prior to the expiration of any term.

As consideration for this lease agreement, Archbold made all payments required of the Authority under the Revenue Anticipation Certificates, Series 1987 and Series 1979 and any other indebtedness of the Authority incurred with respect to the facilities with the approval of Archbold. The base rental after all Authority obligations have been satisfied in full were \$1 per year. The Series 1987 and 1979 certificates matured on January 1, 2003.

Pursuant to the terms of the lease, the current assets and current liabilities of the Authority were transferred to Archbold effective July 1, 1995. During the term of the lease, the expenses of operating the leased premises as a hospital were paid by Archbold, and all revenues, materials, property and services rendered or received from any and all other sources were collected, received, and became the property of Archbold. Archbold agreed to make repairs to the leased premises as necessary and maintained specified insurance coverage. Property made unusable by ordinary wear and deterioration was replaced from the revenues of Early Memorial Hospital and Nursing Home and any such replacement property will be owned by the Authority. Property brought onto the premises by Archbold, which is not replacement property and was not acquired from the net revenues of Early Memorial Hospital and Nursing Home, remained Archbold's property. Revenues in excess of costs was reinvested in improvements to Early Memorial Hospital and Nursing Home and became the property of the Authority. Archbold agreed not to deny urgent or emergency care to any person based upon an inability to pay.

As of September 30, 2010, the lease commitment has been terminated by Archbold and corresponding assets have been released to The Hospital Authority of Early County. The loss from the termination of the lease of \$2,054,680 is presented as a loss of discontinued operations on the consolidated statements of revenue and support, expenses, and changes in net assets.

Continued

ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

13. Commitments and Contingencies, Continued

Compliance Plan

The healthcare industry has recently been subjected to increased scrutiny from governmental agencies at both the federal and state level with respect to compliance with regulations. Areas of noncompliance identified at the national level include Medicare and Medicaid, Internal Revenue Service, and other regulations governing the healthcare industry. The Medical Center has implemented a compliance plan focusing on such issues. There can be no assurance that the Medical Center will not be subjected to future investigations with accompanying monetary damages.

Health Care Reform

In recent years, there has been increasing pressure on Congress and some state legislatures to control and reduce the cost of healthcare on the national or at the state level. In 2010, legislation was enacted which included cost controls on hospitals, insurance market reforms, delivery system reforms and various individual and business mandates among other provisions. The costs of certain provisions will be funded in part by reductions in payments by government programs, including Medicare and Medicaid. There can be no assurance that these changes will not adversely affect the Medical Center.

Litigation

The Medical Center is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, administration is of the opinion that the liability, if any, resulting therefrom will be covered by the Medical Center self-insurance fund.

Malpractice Self-Insurance

The Medical Center has a self-insurance program under which a trust fund was created to be used only for the limited purposes specified. These purposes include, but are not limited to, the payment of such sums as the Medical Center shall become legally obligated to pay any claim up to \$8 million and \$10 million in aggregate for damages resulting from operations.

Additionally, payment is restricted to expenses incurred in connection with the investigation, adjustment settlement, and defense of any claim or suit against the Medical Center, an officer, director, member or trustee of the Medical Center. The management of the trust fund is the responsibility of a bank, functioning as an independent fiduciary.

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ARCHBOLD MEDICAL CENTER, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, Continued

13. Commitments and Contingencies, Continued

Malpractice Self-Insurance, Continued

Malpractice claims in excess of the self-insurance retention limits are insured with commercial insurance carriers on a claims-made basis. The Medical Center's policy provides \$30 million in excess limits above the self-insurance retention.

Federal and State Investigation of Eligibility for UPL and ICTF Payments

The Medical Center's eligibility for certain Medicaid UPL and ICTF payments were under investigation by federal and Georgia authorities. The investigations began after John D. Archbold Memorial Hospital (the "Hospital") self-disclosed to Georgia officials that it had discovered inaccuracies and misstatements in certain documents submitted to the state in order to satisfy eligibility requirements for UPL and ICTF payments. The Medical Center engaged a law firm to perform an internal investigation of the matter. The findings of the internal investigation have been made available to the federal and state authorities.

As of September 30, 2010, approximately \$14,100,000 was recorded as a liability relating to this investigation. The Medical Center has fully cooperated with the authorities and settled this matter as of December 9, 2010. Archbold paid the settlement of approximately \$14,100,000 on December 17, 2010.