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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 ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization North Mississippi Medical Center Inc	D Employer identification number 64-0662976
	Doing Business As	E Telephone number (662) 377-3977
	Number and street (or P O box if mail is not delivered to street address) 830 South Gloster Street	Room/suite
	G Gross receipts \$ 1,696,151,271	
	City or town, state or country, and ZIP + 4 Tupelo, MS 38801	
	F Name and address of principal officer Joe Reppert 830 South Gloster Street Tupelo, MS 38801	H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀ (Insert no) ☐ 4947(a)(1) or ☐ 527		
J Website: ▶ www.nmhs.net/		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1982
		M State of legal domicile DE

Part I	Summary		
Activities & Governance	1 Briefly describe the organization's mission or most significant activities North Mississippi Medical Center is a 650-bed regional referral center in Tupelo, MS, which serves more than 700,000 people in 24 counties in north MS, northwest AL and portions of TN		
	2 Check this box ☐ 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)	3	13
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	4,448
6 Total number of volunteers (estimate if necessary)	6	187	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 588,492	Current Year 2,133,276
	9 Program service revenue (Part VIII, line 2g)	574,733,141	600,341,503
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,484,213	15,804,461
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,430,301	14,571,965
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	602,236,147	632,851,205
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	116,264	181,558
Expenses	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	258,175,928	270,413,401
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	299,664,311	313,980,692
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	557,956,503	584,575,651
	19 Revenue less expenses Subtract line 18 from line 12	44,279,644	48,275,554
	Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 933,774,912
21 Total liabilities (Part X, line 26)		329,409,432	348,174,399
22 Net assets or fund balances Subtract line 21 from line 20		604,365,480	609,251,473

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		
	Joe Reppert Executive Vice President/CFO Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name Penny Wood CPA	Preparer's signature Penny Wood CPA	Date	Check if self-employed ☐ PTIN
	Firm's name ▶ BKD LLP	Firm's EIN ▶		
	Firm's address ▶ 190 E Capitol Street Ste 500 Jackson, MS 392012190	Phone no ▶ (601) 948-6700		
May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ 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

NORTH MISSISSIPPI MEDICAL CENTER (NMMC) IS A 650-BED REGIONAL REFERRAL CENTER IN TUPELO, MS NMMC SERVES MORE THAN 700,000 PEOPLE IN 24 COUNTIES IN NORTH MISSISSIPPI, NORTHWEST ALABAMA AND PORTIONS OF TENNESSEE NMMC IS THE LARGEST HOSPITAL THAT IS PART OF THE NORTH MISSISSIPPI HEALTH SERVICES (NMHS) ORGANIZATION THE MISSION OF NMHS IS TO CONTINUOUSLY IMPROVE THE HEALTH OF THE PEOPLE OF OUR REGION NMMC WORKS TO ACHIEVE THIS CORPORATE MISSION TO IMPROVE THE HEALTH OF THE PEOPLE OF THIS REGION BY PROVIDING CONVENIENTLY ACCESSIBLE, COST-EFFECTIVE HEALTH CARE OF THE HIGHEST QUALITY

2

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

☐ Yes ☒ No

If “Yes,” describe these new services on Schedule O

3

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

☐ Yes ☒ No

If “Yes,” describe these changes on Schedule O

4

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

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

4a	(Code) (Expenses \$ 514,642,087 including grants of \$ 181,558) (Revenue \$ 602,558,088)
	North Mississippi Medical Center (NMMC) serves more than 700,000 people in 24 counties in north Mississippi, northwest Alabama and portions of Tennessee In fiscal year 2011, there were over 24,600 inpatient admissions, over 79,200 emergency department visits, and over 271,000 outpatient visits NMMC uses Press Ganey, the largest patient satisfaction survey company in the nation, that works with more than 7,000 healthcare facilities Randomly selected patients are asked about their experience with NMHS inpatient, outpatient, ER, home health and long term care services Area residents have access to a medical staff representing more than 40 medical specialties, as well as centers of excellence in cancer treatment and research, neurology, neurosurgery, cardiac surgery, cardiology, pulmonology, rehabilitation, chemical dependency and neonatal programs In addition, the NMMC Home Health Agency serves patients in 17 counties in north Mississippi and offers many complex and extremely high-tech procedures that can be performed in the home setting NMMC is designated as a Level II trauma center by the Mississippi State Department of Health To receive this designation, facilities must offer a full range of trauma capabilities, including an Emergency Department, a full service surgical suite, intensive care unit and diagnostic imaging, as well as make a commitment to consistently meet national guidelines or standards in caring for trauma patients In 2006 NMMC-Tupelo received the Malcolm Baldrige National Quality Award for innovative practices, a commitment to excellence and outstanding results This award is a symbol of world-class performance and is the nation's highest Presidential honor for organizational performance excellence NMMC is a participant in QUEST (Quality, Efficiency, Safety, with Transparency), a national initiative sponsored by fellow 2006 Baldrige recipient Premier NMMC benchmarks its quality measures against the very best hospitals and health systems in the United States This collaborative effort enables NMMC's physicians, nurses and analysts to learn from those with the best results in patient satisfaction, cost of care and appropriateness of care QUEST is one way that NMMC is continually working to improve patient safety and quality while safely reducing health care costs

4b	(Code) (Expenses \$ including grants of \$) (Revenue \$)
	One of the primary ways North Mississippi Medical Center (NMMC) serves the community is by providing care to various populations for which it receives no compensation or receives compensation at rates significantly less than established rates The Board of Directors of NMMC has established a policy under which NMMC provides care, without charge, to needy members of its community The charity care policy states that NMMC will provide necessary hospital services to patients free of charge with household income levels based on the federal poverty guidelines adjusted based on the median income for Mississippi compared to the median income nationally The Mississippi adjusted poverty guidelines is approximately 71% of the Federal Poverty Rate The policy further provides patients with household income levels above the Mississippi adjusted poverty guidelines will be liable for no more than the amount that their household income exceeds the applicable federal poverty guidelines The policy applies to individuals who reside in NMMC's 24-county service area, as defined by the policy Patients from outside the service area may also be granted charity care based on the judgment of NMMC management depending on their individual circumstances The policy also requires the patient to cooperate fully with NMMC's request for information with which to verify the patient's eligibility Following that policy, NMMC maintains records to identify and monitor the level of charity care it provides These records include the amount of charges foregone for services and supplies furnished under its charity care policy Charges foregone, based on established rates, totaled approximately \$72,500,000 in fiscal year 2011 Based on the gross charges provided to charity patients compared to total hospital gross charges, 5% of all services in fiscal year 2011 were provided on a charity basis The net cost of charity care provided by NMMC was approximately \$26,638,000 in fiscal year 2011 The total cost estimate is based on the ratio of costs to charges for NMMC All of the foregone charges mentioned above are netted against patient service revenue to arrive at net patient service revenue as reflected as program service revenue on Part VIII of Form 990 in order to be consistent with financial statement reporting and are not reported as functional expenses on the tax return

4c	(Code) (Expenses \$ 1,814,000 including grants of \$) (Revenue \$)
	North Mississippi Medical Center employs registered nurses and certified health educators that provide services to schools in the service area at no cost to the school systems These nurses and educators provide basic healthcare and instructional services to the students in the schools they serve The net cost of providing these services was approximately \$1,244,000 in fiscal year 2011 NMMC also employs certified athletic trainers who provide services to high schools in the service area at no cost The trainers work with the sports teams at these schools on a daily basis during practice and training, as well as at in-season competitions The cost of providing these services was approximately \$570,000 in fiscal year 2011

4d	Other program services (Describe in Schedule O)
	(Expenses \$ 387,000 including grants of \$) (Revenue \$)

4e	Total program service expenses \$ 516,843,087
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Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.		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? If "Yes," complete Schedule C, Part II.		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V.		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		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? If "Yes," complete Schedule D, Part VIII.		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV.		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Parts II and IV.		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Parts III and IV.		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions).		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.	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).	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	Yes	
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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		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 ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	154
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	Yes
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	4,448
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
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	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
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	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
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?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
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?		No
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	
15c	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

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

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

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
JOE REPERT
830 SOUTH GLOSTER STREET
Tupelo, MS 38801
(662) 377-3977

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

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

Form **990** (2010)

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			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,700,648	2,531,363	128,449

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▶135

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Mayo Collaborative DBA Mayo Med Laboratories MINNEAPOLIS, MN 554809146	Lab Testing	2,275,671
Tupelo Emergency Group PO Box 82368 LAFAYETTE, LA 705982368	Physician Fees	2,069,445
Advanced Perfusion 201 Poplar Springs Drive TUPELO, MS 388040000	Perfusionist Fees	1,680,512
GE Healthcare PO Box 402076 ATLANTA, GA 303842076	Maintenance	1,381,486
Eclipsys Solution Corporation PO Box 8538-0133 PHILADELPHIA, PA 191710133	On-line Processing	983,956

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 ▶56

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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	413,050			
	e	Government grants (contributions)	1e	1,690,226			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	30,000			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		2,133,276			
Program Service Revenue	2a	Net Patient Service Revenue	Business Code 900099	597,556,552	597,556,552		
	b	Related Rental Income	900099	2,784,951	2,784,951		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		600,341,503			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		7,774,835		7,774,835
4		Income from investment of tax-exempt bond proceeds . . .		53,328		53,328	
5		Royalties		0			
6a		Gross Rents	(i) Real (ii) Personal				
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other	1,071,259,339 17,025			
b		Less cost or other basis and sales expenses		1,063,090,584 209,482			
c		Gain or (loss)		8,168,755 -192,457			
d		Net gain or (loss)		7,976,298		7,976,298	
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 . . .		0			
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 . . .		0			
10a		Gross sales of inventory, less returns and allowances	a				
b		Less cost of goods sold	b				
c		Net income or (loss) from sales of inventory . . .		0			
Miscellaneous Revenue		Business Code					
11a	Employee Drug Sales	900099	8,902,058			8,902,058	
b	Cafeteria Revenue	900099	2,216,585	2,216,585			
c	Child Development Center Revenue	900099	987,704			987,704	
d	All other revenue		2,465,618			2,465,618	
e	Total. Add lines 11a-11d		14,571,965				
12	Total revenue. See Instructions		632,851,205	602,558,088	0	28,159,841	

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	139,590	139,590		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	41,968	41,968		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,888,732		2,888,732	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	183,327,459	149,230,063	34,097,396	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,913,601	11,913,601		
9	Other employee benefits	59,156,900	59,156,900		
10	Payroll taxes	13,126,709	10,336,097	2,790,612	
a	Fees for services (non-employees) Management	23,309,605		23,309,605	
b	Legal	446,168		446,168	
c	Accounting	293,567		293,567	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	752,426		752,426	
g	Other	29,155,146	28,396,746	758,400	
12	Advertising and promotion	1,806,125	1,806,125		
13	Office expenses	127,881,546	127,881,546		
14	Information technology	7,594,489	7,594,489		
15	Royalties	0			
16	Occupancy	8,181,028	8,181,028		
17	Travel	3,034,124	3,034,124		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	2,044,804	2,044,804		
20	Interest	2,868,848	2,868,848		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	33,639,677	33,639,677		
23	Insurance	2,395,658		2,395,658	
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	Bad Debt Expense	60,997,342	60,997,342		
b	Collection Fees	2,652,394	2,652,394		
c	Repairs and Maintenance	2,395,820	2,395,820		
d	Recruitment	1,905,981	1,905,981		
e	Taxes and Licenses	1,029,282	1,029,282		
f	All other expenses	1,596,662	1,596,662		
25	Total functional expenses. Add lines 1 through 24f	584,575,651	516,843,087	67,732,564	0
26	Joint costs. Check here ☒ 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			68,033,235	1	66,412,988
	2	Savings and temporary cash investments			9,049,986	2	14,990,291
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			91,770,031	4	102,676,014
	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			10,939,708	8	12,246,742
	9	Prepaid expenses and deferred charges			2,245,090	9	1,523,994
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	751,258,917			
	b	Less: accumulated depreciation	10b	497,730,168	244,537,326	10c	253,528,749
	11	Investments—publicly traded securities			403,244,770	11	412,083,246
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			103,954,766	15	93,963,848
16	Total assets. Add lines 1 through 15 (must equal line 34)			933,774,912	16	957,425,872	
Liabilities	17	Accounts payable and accrued expenses			106,934,703	17	138,064,745
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			188,817,195	20	182,168,437
	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			33,657,534	25	27,941,217
	26	Total liabilities. Add lines 17 through 25			329,409,432	26	348,174,399
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			601,976,008	27	606,776,261
	28	Temporarily restricted net assets			2,389,472	28	2,475,212
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here ☐ 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			604,365,480	33	609,251,473
34	Total liabilities and net assets/fund balances			933,774,912	34	957,425,872	

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	632,851,205
2	Total expenses (must equal Part IX, column (A), line 25)	2	584,575,651
3	Revenue less expenses Subtract line 2 from line 1	3	48,275,554
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	604,365,480
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-43,389,561
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	609,251,473

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 ☐ Cash ☒ Accrual ☐ 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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? 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 ☐ Separate basis ☐ Consolidated basis ☒ 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
North Mississippi Medical Center Inc

Employer identification number
64-0662976

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?

11g(i)

Yes

No

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

11g(ii)

Yes

No

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

11g(iii)

Yes

No

h

☐

Provide the following information about the supported organization(s)

(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									

For Paperwork Reduction Act Notice, see the Instructions for Form 990

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2010

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 section 501(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 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
North Mississippi Medical Center Inc

Employer identification number
64-0662976

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? ☐ Yes ☐ No	
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? ☐ Yes ☐ No	

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▶ \$ _____

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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

(ii) related organizations

b

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

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,625,632		4,625,632
b Buildings		240,736,119	160,358,058	80,378,061
c Leasehold improvements		0		
d Equipment		444,182,980	328,391,365	115,791,615
e Other		61,714,186	8,980,745	52,733,441
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				253,528,749

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	632,851,205
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	584,575,651
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	48,275,554
4	Net unrealized gains (losses) on investments	4	-8,554,905
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-34,834,656
9	Total adjustments (net) Add lines 4 - 8	9	-43,389,561
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	4,885,993

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	622,957,078
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-8,554,905
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-1,339,222
e	Add lines 2a through 2d	2e	-9,894,127
3	Subtract line 2e from line 1	3	632,851,205
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	632,851,205

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	584,176,178
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	584,176,178
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	399,473
c	Add lines 4a and 4b	4c	399,473
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	584,575,651

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Part X, Line 2		The Medical Center applies FASB ASC Topic 740 for Income Taxes ("Topic 740"), which clarifies the accounting for uncertainty in income tax positions, and provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions are determined. There has been no impact on the Medical Center's financial statements as a result of Topic 740.
Part XI, Line 8		Change in fair value of interest rate swaps (939,749). Pension-related changes other than net periodic pension cost (33,980,647). Increase in interest in net assets of affiliated foundation 85,740.
Part XII, Line 2d		Change in fair value of interest rate swaps of <939,749> was included in revenue on the financial statements but not on Form 990. Expenses of \$399,473 were netted with revenue on the financial statements but included in expense on Form 990.
Part XIII, Line 4b		Expenses of \$399,473 were netted with revenue on the financial statements but included in expense on Form 990.

Additional Data

Software ID:

Software Version:

EIN: 64-0662976

Name: North Mississippi Medical Center Inc

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

(a) Description	(b) Book value
Trusted Acquisition Fund	57,950,731
Ppd Software Maint /Training	14,171,563
Due from Affiliates	12,490,600
Other Receivables	1,690,318
Int in Net Assets of Affil Fdn	2,475,212
Unamortized Bond Issue Cost	1,700,798
Other Asset	1,699,762
Accrued Interest Receivable	415,864
Due from Third Party Payer	1,369,000

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
North Mississippi Medical Center Inc

Employer identification number
64-0662976

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 ☒ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
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 ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>71. %</u> 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 ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other <u> %</u> 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	No
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?	Yes	
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?		No
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)			26,618,927	0	26,618,927	5 090 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			56,050,263	63,086,564	-7,036,301	1 340 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			0	0	0	0 %
d Total Financial Assistance and Means-Tested Government Programs			82,669,190	63,086,564	19,582,626	3 750 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,251,133	0	2,251,133	0 430 %
f Health professions education (from Worksheet 5)			4,721,199	1,822,939	2,898,260	0 550 %
g Subsidized health services (from Worksheet 6)			0	0	0	0 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			0	0	0	0 %
j Total Other Benefits			6,972,332	1,822,939	5,149,393	0 980 %
k Total. Add lines 7d and 7j			89,641,522	64,909,503	24,732,019	4 730 %

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
1Physical improvements and housing			0	0	0	0 %
2Economic development			0	0	0	0 %
3Community support			0	0	0	0 %
4Environmental improvements			0	0	0	0 %
5Leadership development and training for community members			0	0	0	0 %
6Coalition building			0	0	0	0 %
7Community health improvement advocacy			0	0	0	0 %
8Workforce development			0	0	0	0 %
9Other			0	0	0	0 %
10Total			0	0	0	0 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	22,387,344
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	210,384,079
6	Enter Medicare allowable costs of care relating to payments on line 5	6	214,046,113
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-3,662,034
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: ☐ Cost accounting system ☐ Cost to charge ratio ☒ 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 %
1Urology PA	Medical Services		20 000 %	
2TAG Billing Svc LLC	Medical Services		12 500 %	12 500 %
3TAG PA	Medical Services		11 110 %	11 110 %
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

Schedule H (Form 990) 2010

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

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

How many non-hospital facilities did the organization operate during the tax year? 11

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

Part VI

Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
Part I, Line 3C		North Mississippi Medical Center, Inc does not use the Federal Poverty Guidelines to determine eligibility for discounted care The Federal Poverty Guidelines are used only for free care Discounted care is given to anyone regardless of income level if they do not have insurance North Mississippi Medical Center will provide its prevalent managed care discount to any patient that meets North Mississippi Medical Center's definition of uninsured (an individual having no third party coverage by commercial third party insurer, an ERISA plan, Medicare, Medicaid, SCHIP, Champus or other coverage for all or part of their bill)

Identifier	ReturnReference	Explanation
Part I, Line 6A		North Mississippi Medical Center's community benefit information is included in the community benefit report of its parent company, North Mississippi Health Services, Inc. North Mississippi Health Services (NMHS) is a diversified regional health care organization, which serves 24 counties in north Mississippi and northwest Alabama from headquarters in Tupelo, MS. The NMHS organization covers a broad range of acute diagnostic and therapeutic services, offered through North Mississippi Medical Center in Tupelo, a community hospital system with locations in Eupora, Iuka, Pontotoc, West Point, MS, and Hamilton AL, North Mississippi Medical Clinics, a regional network of more than 30 primary and specialty clinics, and nursing homes. NMHS offers a comprehensive portfolio of managed care plans.

Identifier	ReturnReference	Explanation
Part I, Line 7G		Not applicable

Identifier	ReturnReference	Explanation
Part I, Line 7, column (f)		Bad Debt Expense of \$60,997,342 was included in total expense on Form 990, Part IX, Line 25, Column (A), but was subtracted from total expense for purposes of calculating the percentage of total expense in column (F)

Identifier	ReturnReference	Explanation
Part I, Line 7		A cost to charge ratio was used for the amounts reported in the table for Line 7. The cost to charge ratio for Line 7 was calculated using Worksheet 2.

Identifier	ReturnReference	Explanation
Part III, Line 4		North Mississippi Medical Center's financial statements do not include a footnote specifically concerning bad debt. Bad debt is shown as a separate line item on the face of the income statement. The amount of bad debt booked each year is based on a review of outstanding receivables and their age from date of service. The older the account, the higher the reserve percentage used to estimate bad debt. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluations and specific circumstances of the account. The bad debt expense at cost in Part III Line 2 was calculated using the cost to charge ratio from Worksheet 2. North Mississippi Medical Center (NMMC) follows the Catholic Health Association guidelines and does not include bad debt in any community benefit amounts. NMMC, however, believes that some portion of bad debt results from patients who could qualify for charity care but has no way of making an estimate of the amount and therefore has answered "zero" for Part III Line 3.

Identifier	ReturnReference	Explanation
Part III, Line 8		The ratio of cost to charges used in the calculation of costs for Medicare was taken from the Medicare Cost Report. Lines 5, 6, & 7 do not include certain Medicare programs and costs and thus do not reflect all of the organization's revenues and costs associated with its participation in Medicare programs. Additional revenues and costs not reported on Lines 5, 6, & 7 include those associated with the organization's Medicare outpatient lab, ambulance and therapy services. Total revenues from these activities were \$8,339,916 and total costs were \$9,969,104 for a net shortfall of \$1,629,188. When combined with the surplus reported on Line 7, the net shortfall from all Medicare programs is \$5,291,222.

Identifier	ReturnReference	Explanation
Part III, Line 9b		North Mississippi Medical Center does not pursue collection of amounts determined to qualify as charity care

Identifier	ReturnReference	Explanation
Part VI, Line 2	Needs Assessment	North Mississippi Medical Center utilizes varied but complimentary methods to assess the health care needs of the communities it serves. The North Mississippi Medical Center Community Health Needs Assessment is performed every three years and provides information on health status, utilization of health services, healthy beliefs and satisfaction with health care services. In addition, the North Mississippi Medical Center Community Relations Facilitator conducts routine visits with internal and external stakeholders. The information gathered through several qualitative survey questions is used to determine community needs.

Identifier	ReturnReference	Explanation
Part VI, Line 3	Patient education of eligibility for assistance	Explanations of the North Mississippi Medical Center charity care policy are communicated in a variety of forms including signage at all admission and registration areas, on the web site, on bills and statements, and in admission packets. Financial counselors assist the patient and responsible parties with determining eligibility for government programs, primarily Medicaid, and charity care status. The patient can apply for charity care at any time from the date of service through the collection process and once qualified and approved all collection efforts are stopped.

Identifier	ReturnReference	Explanation
Part VI, Line 4	Community Information	North Mississippi Medical Center serves more than 700,000 people in 24 counties in north Mississippi, northwest Alabama and portions of Tennessee. The most populous counties are Lee and Lowndes in MS and Colbert County in AL. The population for the service area is projected to remain essentially flat over the next five years. According to the 2010 census, age demographics for the service area show that approximately 24% of the population is under 18 years of age, approximately 61% is between 18 and 64 years of age and that 15% is 65 or older. Caucasians make up 71% of the service area's population while African Americans make up 25%. Median household income of \$34,211 for the service area is below the overall average for Mississippi and significantly less than the nationwide average. Insurance coverage is lacking for much of the population with 19% estimated to be uninsured. Medicare covers 19% of the population, Medicaid 19% and private insurance 43%.

Identifier	ReturnReference	Explanation
Part VI, Line 5	Promotion of community health	North Mississippi Medical Center (NMMC) has a commitment to a wide variety of community health outreach activities, which are coordinated by the Community Health department and are staffed by employees of that department as well as by NMMC employees who volunteer their time to help with these events and activities. The Community Health department assists in educating the community on health-related issues by organizing and presenting various health fairs and seminars. These events are held at local businesses, schools and community organizations and address such issues as cancer care, heart health, bone and joint care, sinus and allergy issues, newborn and child care, and other health-related topics. In addition, the Community Health department sponsors cholesterol, blood pressure, vision, memory, and heart-risk screening events, through which tests are made available to the public for a nominal fee or at no charge with the majority of the costs incurred absorbed by NMMC. NMMC also employs registered nurses and certified health educators and provides their services to schools in its service area at no cost to the school systems. These nurses and educators provide basic healthcare and instructional services to the students in the schools they serve.

Identifier	ReturnReference	Explanation
Part VI, Line 6	Affiliated Health Care System	As noted above, North Mississippi Medical Center (NMMC) is part of North Mississippi Health Services (NMHS). NMHS operates five community hospitals in addition to NMMC, as well as, North Mississippi Medical Clinics, which operates more than 30 medical clinics. Some of these facilities operate at an ongoing financial loss and NMHS provides operating funds in the form of working capital loans that have no set repayment date. These working capital loans have historically been converted to capital transfers in many cases, and therefore, the loans are forgiven such that the facility never makes repayment. NMHS does this in order to provide access to a variety of services across the service area and is an intentional part of its business model. The Community Health department that is part of NMMC coordinates a variety of community health activities across the service area as well.

Identifier	ReturnReference	Explanation
Part VI, Line 7	State filing of community benefit report	North Mississippi Medical Center does not file a community benefit report with the state of Mississippi as there is no requirement to do so The community benefit report is available online at nmhs net

Additional Data

Software ID:

Software Version:

EIN: 64-0662976

Name: North Mississippi Medical Center Inc

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>11</u>	
Name and address	Type of Facility (Describe)
NMMC Behavioral Health 4579 South Eason Tupelo, MS 38801	Mental Health Facility
Baldwyn Nursing Facility 739 4th Street Baldwyn, MS 38824	Skilled Nursing Facility
NMMC Women's Hospital 4566 South Eason Tupelo, MS 38801	Pediatric and OB/GYN Center
NMMC Breast Care Center 4376 South Eason Tupelo, MS 38801	Breast Care Center
NMMC Family Practice Residency Center 1680 South Green Street Tupelo, MS 38801	Outpatient Teaching Facility
NMMC Home Care and Hospice 422A E President Street Tupelo, MS 38801	Home Care and Hospice Facility
NMMC Longtown Rehab 4381 South Eason Blvd Tupelo, MS 38801	Outpatient Rehabilitation Services
NMMC Cancer Center 990 South Madison Tupelo, MS 38801	Outpatient Oncology Services
NMMC Wellness Center 1030 South Madison Tupelo, MS 38801	Wellness Center
Pontotoc Wellness Center 38 West Reynolds Street Pontotoc, MS 38863	Wellness Center
Baldwyn Wellness Center 920 North Fourth Street Suite A Baldwyn, MS 38824	Wellness Center

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
North Mississippi Medical Center 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
64-0662976

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) Mississippi University for Women1100 College Street Columbus,MS 397015800	64-6000826	Public Univ	50,000				See Part IV
(2) University of Mississippi 216 Lyceum University,MS 386770249	64-6001159	Public Univ	61,750				See Part IV

2

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

2

3

Enter total number of other organizations

0

Part IIIGrants 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) Scholarships & Academic Reimbursements	37	41,968			

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

Identifier	Return Reference	Explanation
Part I, Line 2		The Hospital grants scholarships and academic reimbursements to employees based on an application process. Employees that are selected for this program must maintain a 2.5 GPA for an Associate and Bachelors Degree and a 3.0 GPA for a Masters degree and above. The Hospital reimburses the employee the cost of the tuition at the in-state rate for courses that are defined in the curriculum provided by the College attended. The Hospital also provides direct financial support to local nursing schools to ensure an adequate supply of nursing professionals. This support is issued based on the needs of the school.
Part II, Line 1, Column (h)		Mississippi University for Women - to help fund the nursing program at the College. University of Mississippi - to help fund the nursing program at the College.

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
North Mississippi Medical Center Inc

Employer identification number

64-0662976

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		
	☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)		
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	
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	
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		
	☒ Compensation committee ☒ Written employment contract ☒ Independent compensation consultant ☒ Compensation survey or study ☐ Form 990 of other organizations ☒ Approval by the board or compensation committee		
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	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	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				
See Additional Data Table								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
Part I, Line 4b		Participants: John Heer \$75,376; Steve Altmiller \$29,117; Joe Reppert \$15,738; Mark Williams \$20,510; Gerald Wages \$213,346. Terms & Conditions: North Mississippi Health Services, Inc. (NMHS) adopted the Management Deferred Annuity Plan (the Plan) on October 1, 1998. Participants in the Plan are designated by the Compensation Committee of the Board of Directors of NMHS. At the beginning of each Plan Year, NMHS shall pay a contribution, less withholding for taxes, to the Participant's annuity contract, which is a deferred annuity contract selected, owned, and controlled by the Participant. The contribution is determined by multiplying the participant's compensation in the preceding plan year by a percentage set forth in Appendix B of the Plan. A participant is terminated from the Plan on the earliest of: (1) the date the Board determines the employee is no longer a participant, (2) the date the Participant retires, (3) the date that the Participant dies, or (4) the date the Participant no longer is employed by NMHS for reasons other than retirement or death.

Software ID:
Software Version:
EIN: 64-0662976
Name: North Mississippi Medical Center Inc

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
Bruce Toppin	(i)	0	0	0	0	0	0	
	(ii)	222,406	65,303	6,451	4,900	3,480	302,540	
Bruce Ridgway	(i)	185,675	54,873	6,956	4,900	3,312	255,716	
	(ii)	0	0	0	0	0	0	
Brian Condit	(i)	277,429	27,868	552	4,900	3,480	314,229	
	(ii)	0	0	0	0	0	0	
Joseph A Reppert	(i)	0	0	0	0	0	0	
	(ii)	379,320	106,433	16,548	4,900	4,105	511,306	
John Heer	(i)	0	0	0	0	0	0	
	(ii)	680,114	330,722	82,169	4,900	4,680	1,102,585	
Mark S Williams	(i)	386,720	81,711	22,832	4,900	4,680	500,843	
	(ii)	0	0	0	0	0	0	
Johnny M Denham	(i)	159,994	23,668	1,393	0	0	185,055	
	(ii)	0	0	0	0	0	0	
Wanda Della Calce	(i)	145,138	21,343	665	2,781	0	169,927	
	(ii)	0	0	0	0	0	0	
Ellen Friloux	(i)	145,138	21,208	1,710	3,351	0	171,407	
	(ii)	0	0	0	0	0	0	
George Hand	(i)	134,020	20,094	3,531	3,214	3,480	164,339	
	(ii)	0	0	0	0	0	0	
Donna Lewis	(i)	145,422	20,810	2,520	3,368	0	172,120	
	(ii)	0	0	0	0	0	0	
David Brooks	(i)	203,194	27,633	1,032	4,685	3,480	240,024	
	(ii)	0	0	0	0	0	0	
Casey L Humphries	(i)	227,661	9,096	5,118	4,717	4,080	250,672	
	(ii)	0	0	0	0	0	0	
Thomas E Bozeman	(i)	209,247	52,249	10,632	4,900	3,312	280,340	
	(ii)	0	9,115	0	126	0	9,241	
Steve Altmiller	(i)	456,097	124,253	30,359	3,893	3,787	618,389	
	(ii)	0	0	0	0	0	0	
Michael Benge	(i)	220,315	9,170	2,288	4,574	4,080	240,427	
	(ii)	0	0	0	0	0	0	
Robert K Rogers	(i)	210,909	7,097	3,028	4,502	4,120	229,656	
	(ii)	0	0	0	0	0	0	
Gerald Wages	(i)	0	0	0	0	0	0	
	(ii)	269,225	139,878	223,679	4,900	3,962	641,644	

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
North Mississippi Medical Center Inc

Employer identification number
64-0662976

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Mississippi Hospital & Equip Facilities Authority	64-0732320	605360MV5	07-02-2003	91,564,031	See Part V		X		X		X
B	Mississippi Hospital Equip & Facilities Authority	64-0732320	605360RS7	08-18-2010	76,018,658	See Part V		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0					
2	Amount of bonds legally defeased	0		0					
3	Total proceeds of issue	93,769,870		77,256,879					
4	Gross proceeds in reserve funds	0		0					
5	Capitalized interest from proceeds	0		0					
6	Proceeds in refunding escrow	0		0					
7	Issuance costs from proceeds	904,266		1,018,662					
8	Credit enhancement from proceeds	0		0					
9	Working capital expenditures from proceeds	0		0					
10	Capital expenditures from proceeds	32,205,313		22,784,914					
11	Other spent proceeds	0		0					
12	Other unspent proceeds	0		53,453,302					
13	Year of substantial completion	2009							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X			X				
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part III

Private 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				
b	Are there any research agreements that may result in private business use of bond-financed property?		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					
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	0 %		0 %					
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	0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV

Arbitrage

		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				
2	Is the bond issue a variable rate issue?	X			X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X			X				
b	Name of provider	Goldman Sachs							
c	Term of hedge	12 7							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		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				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
Schedule K, Part I		North Mississippi Medical Center, along with certain North Mississippi Health Services affiliates (collectively known as the Obligated Group), periodically issue tax exempt revenue bonds under the terms of a related master indenture Only North Mississippi Medical Center's related share is reported in this schedule
Schedule K, Part I, Column (f)		Bond A To refund a prior issue, fund new construction, and purchase equipment Bond B To fund new contruction and purchase equipment and MIS systems
Schedule K, Part IV, Line 3c		Term of Hedge Series 1 12 7 years Series 2 29 7 years
Schedule K, Part IV, Line 5		Although funds were invested beyond the temporary period, the yield did not exceed the allowable amount

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
North Mississippi Medical Center Inc

Employer identification number

64-0662976

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 IVBusiness 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 VSupplemental Information

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

Identifier	Return Reference	Explanation
Schedule L, Part IV, Column (b)		Urology, PA - Entity more than 5% owned by Hughes Milam, director Pain Management - Entity more than 5% owned by Richard Heyer, director Tupelo Anesthesia Group - Entity more than 5% owned by Richard Heyer, director BancorpSouth - Entity which Jim Kelley, Director, is an officer Center for Digestive Health - Entity more than 5% owned by Barney Guyton, director

Additional Data

Software ID:
Software Version:
EIN: 64-0662976
Name: North Mississippi Medical Center 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
Urology PA	See Part V	344,689	Rental of office space		No
North Mississippi Pain Management	See Part V	160,352	Rental of office space		No
Tupelo Anesthesia Group	See Part V	77,936	Rental of office space		No
BancorpSouth	See Part V	249,124	Service Charges & Trust Fees		No
Tupelo Anesthesia Group	See Part V	519,412	Physician & Consulting Fees		No
Tupelo Anesthesia Group	See Part V	260,214	Collection Fees		No
Urology PA	See Part V	1,038,600	Lithotripter Services		No
Center for Digestive Health	See Part V	277,441	Rental of office space		No
Center for Digestive Health	See Part V	17,808	Other Miscellaneous Expenses		No
Center for Digestive Health	See Part V	28,758	Nursing Home & Pt Care Svs		No

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization North Mississippi Medical Center Inc	Employer identification number 64-0662976
---	---

Identifier	Return Reference	Explanation
Form 990, Page 2, Part III, Line 4d		North Mississippi Medical Center's Community Health Department assists in educating the community on health-related issues by organizing and presenting various health fairs and seminars. The events are held at local businesses, schools, and community organizations and address various healthcare topics in addition to offering various screenings and tests at a nominal fee or at no charge. The costs associated with the outreach activities were approximately \$387,000 in fiscal year 2011.

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section A, Line 6		North Mississippi Medical Center, Inc is a not-for-profit, nonstock, membership corporation of which North Mississippi Health Services, Inc is the sole member and has sole voting control

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section A, Line 7a		The Governance Committee of North Mississippi Health Services, Inc (NMHS), which is made up of past Chairmen, nominate candidates for the Board. These candidates are then approved by the Board of NMHS.

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section A, Line 7b		The Board of North Mississippi Health Services, Inc approves all transactions that exceed \$1 million

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section b, Line 11b		The Form 990 goes through a review process in the Accounting Department. The accountant for each facility reviews the returns for reasonableness and accuracy. All totals are tied to the audit reports, and all amounts are cross-referenced to schedules or other parts of the actual return. Once the accountant reviews, the Accounting Supervisor and the Director of Accounting reviews. The Supervisor does a detailed review by checking the return for the same items that the accountant checked for. Then the Director does a more high level review, reading the return for reasonableness and comparing prior year amounts to current year amounts. Finally, the VP of Finance reviews the return for reasonableness. The returns are then sent to the Executive VP/Treasurer to be reviewed. The Treasurer signs the return and it is then sent to the IRS.

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section B, Line 12c		An annual conflict of interest questionnaire is required to be completed by all officers and directors of the organization. The questionnaire is reviewed by North Mississippi's Health Services, Inc.'s compliance officer and Conflict Committee. The Conflict Committee reviews conflict transactions and makes recommendations to the board of directors regarding conflict transactions in accordance with the organization's conflict of interest policy. All members of the Conflict Committee are prohibited from engaging in transactions with the organization or its affiliates during their tenure on the Conflict Committee and one year after their service concludes.

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section B, Line 15a&b		An independent compensation consulting firm, The Hay Group, is used to help establish the compensation of the CEO, Executive Director, other officers, and key employees. The firm presents their independent analysis, which contains comparability data, to the Compensation Committee of North Mississippi Health Services, Inc. In addition to this, the VP of Human Resources obtains another independent analysis from another compensation consulting firm in order to verify the information provided by The Hay Group. The compensation of the individuals are then approved by the Compensation Committee. The salaries of NMHS' CEO and senior leadership are then reviewed by the NMHS Board of Directors. The individual whose compensation is being discussed is not present during the discussion or approval of their compensation. The discussions and decisions regarding the compensation are documented in the minutes of the meetings. Compensation of these individuals is approved annually.

Identifier	Return Reference	Explanation
Form 990, Page 6, Part VI, Section C, Line 19		The governing documents, conflict of interest policy, and financial statements are available to the public upon request. A consolidated statement of operations is available on the organization's website.

Identifier	Return Reference	Explanation
Form 990, Page 12, Part XI, Line 5		Pension related changes other than net periodic pension cost <33,980,647> Increase in interest in net assets of Affiliated Foundation 85,740 Unrealized Loss <8,554,905> Change in fair value of interest rate sw aps <939,749> Total other changes in net assets or fund balance = <43,389,561>

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Bruce Toppin TITLE Secretary/VP/General Counsel HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Joseph A Reppert TITLE Treasurer/Executive V P/CFO HOURS 39

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME John Heer TITLE Former President & CEO HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME.Gerald Wages TITLE.Former Treasurer HOURS 40

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
North Mississippi Medical Center Inc

Employer identification number
64-0662976

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
See Additional Data Table							

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) North MS Health Link Inc 830 S Gloster Street Tupelo, MS38801 64-0715886	Medical Services	DE	NA	C Corp			
(2) North MS Enterprses Inc 830 S Gloster Street Tupelo, MS38801 64-0658059	Medical Services	DE	NA	C Corp			
(3) Professional Practice Management Inc 830 S Gloster Street Tupelo, MS38801 72-1390014	Med Serv Mgmt	DE	NA	C Corp			
(4) Acclaim Inc 830 S Gloster Street Tupelo, MS38801 72-1356116	Hlth Care Claims	DE	NA	C Corp			
(5) North MS Support Services Inc 830 S Gloster Street Tupelo, MS38801 26-0718275	Support Services	DE	NA	C Corp			

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

Yes

1b

No

1c

No

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

No

1n

Yes

1o

No

1p

Yes

1q

Yes

1r

Yes

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

Software ID:
Software Version:
EIN: 64-0662976
Name: North Mississippi Medical Center Inc

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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
North MS Management Services Inc 830 S Gloster Street Tupelo, MS38801 64-0762694	Mgmt & Admin	DE	501(c)(3)	11-I	NA		
North MS Health Services Inc 830 S Gloster Street Tupelo, MS38801 64-0653269	Mgmt Services	DE	501(c)(3)	11-II	NA		
Clay County Medical Corporation 830 S Gloster Street Tupelo, MS38801 64-0668465	Hospital	DE	501(c)(3)	3	NA		
Tishomingo Health Services Inc 830 S Gloster Street Tupelo, MS38801 64-0741047	Hospital	DE	501(c)(3)	3	NA		
Pontotoc Health Services Inc 830 S Gloster Street Tupelo, MS38801 64-0751410	Hospital	DE	501(c)(3)	3	NA		
North MS Medical Clinics Inc 830 S Gloster Street Tupelo, MS38801 64-0787918	Med Clinics	DE	501(c)(3)	3	NA		
Tupelo Service Finance Inc 844 Cliff Gookin Blvd Tupelo, MS38801 64-0508308	Collections	DE	501(c)(3)	3	NA		
Webster Health Services Inc 830 S Gloster Street Tupelo, MS38801 64-0819193	Hospital	DE	501(c)(3)	3	NA		
Marion Regional Medical Center Inc 830 S Gloster Street Tupelo, MS38801 64-0926753	Hospital	DE	501(c)(3)	3	NA		
North MS Emergency Services Inc 830 S Gloster Street Tupelo, MS38801 64-0780130	ER Physicians	DE	501(c)(3)	9	NA		



NORTH MISSISSIPPI MEDICAL CENTER, INC.

Financial Statements

September 30, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1100
One Jackson Place
188 East Capitol Street
Jackson, MS 39201-2127

Independent Auditors' Report

The Board of Directors
North Mississippi Medical Center, Inc.:

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the financial position of North Mississippi Medical Center, Inc. as of September 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

January 13, 2012

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Balance Sheets

September 30, 2011 and 2010

(In thousands)

Assets	2011	2010
Current assets:		
Cash and cash equivalents	\$ 81,403	77,083
Investments	360,528	353,249
Net patient accounts receivable	102,676	91,770
Other current assets	18,612	15,561
Total current assets	563,219	537,663
Assets limited as to use	108,141	124,792
Property and equipment, net	253,529	244,537
Other assets	32,537	26,783
Total assets	\$ 957,426	933,775
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 26,037	20,901
Accrued expenses and other current liabilities	52,873	64,769
Current installments of long-term debt	106,876	112,817
Total current liabilities	185,786	198,487
Fair value of interest rate swaps	7,919	6,979
Accrued pension cost	65,643	27,996
Long-term debt, excluding current installments	75,293	76,000
Other long-term liability	13,534	19,948
Total liabilities	348,175	329,410
Net assets:		
Unrestricted	606,776	601,976
Temporarily restricted	2,475	2,389
Total net assets	609,251	604,365
Commitments and contingencies		
Total liabilities and net assets	\$ 957,426	933,775

See accompanying notes to financial statements.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Statements of Operations

Years ended September 30, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted revenues and other support:		
Net patient service revenue	\$ 597,557	571,955
Other revenue	<u>16,661</u>	<u>14,029</u>
Total unrestricted revenues and other support	<u>614,218</u>	<u>585,984</u>
Expenses:		
Salaries and wages	185,709	180,210
Employee benefits	84,705	77,966
Supplies	71,690	70,323
Drugs	40,924	40,092
Professional services	8,634	11,696
Purchased services	16,998	10,786
Administrative and general	76,622	72,524
Rent	1,388	1,430
Interest	2,869	3,141
Depreciation and amortization	33,640	33,793
Provision for uncollectible accounts	<u>60,997</u>	<u>55,996</u>
Total expenses	<u>584,176</u>	<u>557,957</u>
Income from operations	30,042	28,027
Nonoperating gains, net	<u>8,739</u>	<u>23,354</u>
Revenues, gains, and other support in excess of expenses and losses	38,781	51,381
Transfers of capital to affiliates of North Mississippi Health Services, Inc.	—	(11,521)
Pension-related changes other than net periodic pension cost	<u>(33,981)</u>	<u>(10,588)</u>
Change in unrestricted net assets	\$ <u>4,800</u>	<u>29,272</u>

See accompanying notes to financial statements.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Statements of Changes in Net Assets

Years ended September 30, 2011 and 2010

(In thousands)

	Unrestricted	Temporarily restricted	Total
Balances at September 30, 2009	\$ 572,704	2,281	574,985
Revenues, gains, and other support in excess of expenses and losses	51,381	—	51,381
Transfers of capital to affiliates of North Mississippi Health Services, Inc.	(11,521)	—	(11,521)
Pension-related changes other than net periodic pension cost	(10,588)	—	(10,588)
Increase in interest in net assets of affiliated foundation	—	108	108
Change in net assets	29,272	108	29,380
Balances at September 30, 2010	601,976	2,389	604,365
Revenues, gains, and other support in excess of expenses and losses	38,781	—	38,781
Pension-related changes other than net periodic pension cost	(33,981)	—	(33,981)
Increase in interest in net assets of affiliated foundation	—	86	86
Change in net assets	4,800	86	4,886
Balances at September 30, 2011	\$ 606,776	2,475	609,251

See accompanying notes to financial statements.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Statements of Cash Flows

Years ended September 30, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,886	29,380
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Transfers of capital to affiliates of North Mississippi Health Services, Inc.	—	11,521
Unrealized and realized investment losses (gains), net	537	(12,615)
Change in fair value of interest rate swaps	940	2,127
Amortization of net premium on bond issue	(707)	(19)
Increase in interest in net assets of affiliated foundation	(86)	(108)
Pension-related changes other than net periodic pension cost	33,981	10,588
Depreciation and amortization	33,640	33,793
Loss (gain) on disposal of assets	192	(100)
Changes in operating assets and liabilities:		
Net patient accounts receivable	(10,906)	349
Other current assets	(1,546)	(3,170)
Other assets	1,487	1,623
Accrued pension cost	3,666	1,180
Accounts payable, accrued expenses, and other current liabilities	<u>(6,517)</u>	<u>15,057</u>
Net cash provided by operating activities	<u>59,567</u>	<u>89,606</u>
Cash flows from investing activities:		
Capital expenditures	(42,707)	(39,558)
Sales of investments	426,073	436,957
Purchases of investments	(434,629)	(446,133)
Net decrease (increase) in assets limited as to use	15,886	(76,522)
Advances to affiliates	(7,289)	(13,383)
Proceeds from sale of assets	<u>17</u>	<u>99</u>
Net cash used in investing activities	<u>(42,649)</u>	<u>(138,540)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	76,019
Repayment of long-term debt	(5,941)	(5,766)
Payment of bond issuance costs	—	(1,045)
Payment on other long-term liability	<u>(6,657)</u>	<u>(10,992)</u>
Net cash (used in) provided by financing activities	<u>(12,598)</u>	<u>58,216</u>
Net increase in cash and cash equivalents	4,320	9,282
Cash and cash equivalents, beginning of year	<u>77,083</u>	<u>67,801</u>
Cash and cash equivalents, end of year	<u>\$ 81,403</u>	<u>77,083</u>

See accompanying notes to financial statements.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(1) Summary of Significant Accounting Policies

North Mississippi Medical Center, Inc. (the Medical Center) is a not-for-profit, nonstock, membership corporation of which North Mississippi Health Services, Inc. (NMHS) is the sole member and has sole voting control. The Medical Center is licensed for 650 acute-care beds and 107 nursing home beds and provides a broad array of healthcare services to the residents of north and north-central Mississippi and surrounding areas, including portions of the bordering states of Tennessee and Alabama. The Medical Center's main campus is located in Tupelo, Mississippi.

The significant accounting policies used by the Medical Center in preparing and presenting its financial statements follow:

(a) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues, and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the determination of the allowances for uncollectible accounts and contractual adjustments, reserves for workers' compensation claims, estimated third-party payor settlements, and the actuarially-determined accrued pension cost related to the NMHS pension plan. In particular, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates related to these programs will change by a material amount in the near-term.

(b) Cash Equivalents

The Medical Center considers investments in highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

(c) 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 balance sheets. All investment income (including realized and unrealized gains and losses, interest, and dividends) is included in the determination of revenues, gains, and other support in excess of expenses and losses, unless temporarily or permanently restricted by the donor. The Medical Center considers all of its investments to be trading securities.

Investment income from assets that are held by trustees is reported as other revenue. Investment income or loss from unrestricted or Board-designated investments is reported as nonoperating gains or losses.

(d) Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (first-in, first-out method) or replacement market.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(e) *Assets Limited As To Use*

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under indenture agreements. Trusteed amounts required to meet current liabilities are reclassified as current assets.

(f) *Costs of Borrowing*

Bond issuance costs and bond premiums and discounts are being amortized over the terms of the related bond issues using the effective interest method.

The Medical Center capitalizes interest costs on qualified construction expenditures, net of income earned on related trusteed assets, as a component of the cost of related projects.

(g) *Property and Equipment*

Property and equipment are stated at cost at the date of acquisition or fair value at the date of donation. Provisions for depreciation are computed using the straight-line method based on the estimated useful lives of the assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from revenues, gains, and other support in excess of expenses and losses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service. Contributions restricted to the purchase of property and equipment for which restrictions are met within the same year as received are reported as increases in unrestricted net assets in the accompanying financial statements.

(h) *Impairment of Long-lived Assets*

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the use and eventual disposal of the asset, excluding interest. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds its fair value. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale are presented separately in the asset and liability sections of the balance sheets.

In addition to consideration of impairment upon the events or changes in circumstances described above, management regularly evaluates the remaining lives of its long-lived assets. If estimates are revised, the carrying value of affected assets is depreciated or amortized over remaining lives.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(i) *Derivative Instruments and Hedging Activities*

The Medical Center follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 815 for Derivatives and Hedging, which requires that all derivative instruments be recorded on the balance sheets at their respective fair values.

All of the Medical Center's interest rate swaps are carried in the Medical Center's balance sheets at fair value, with related changes in fair value included in nonoperating gains or losses in the statements of operations. The Medical Center does not apply hedge accounting with respect to any of its derivatives.

(j) *Statements of Operations*

For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of healthcare services are reported as revenues and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.

(k) *Revenues, Gains, and Other Support in Excess of Expenses and Losses*

The statements of operations include revenues, gains, and other support in excess of expenses and losses. Changes in unrestricted net assets which are excluded from revenues, gains, and other support in excess of expenses and losses, consistent with industry practice and relevant accounting literature, include pension-related changes other than net periodic pension cost, periodic capital transfers between the Medical Center and other NMHS affiliates, and adjustments which may from time-to-time be required to apply new accounting standards.

(l) *Net Patient Service Revenue*

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments (if necessary) due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

The Medical Center also provides a standard discount from gross charges for uninsured patients. Such discounts are included in the provision for contractual and other adjustments.

(m) *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, such amounts are not reported as revenue.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(n) *Income Taxes*

The Medical Center qualifies as tax-exempt under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), and its income is generally not subject to Federal or state income taxes.

The Medical Center applies FASB ASC Topic 740 for Income Taxes ("Topic 740"), which clarifies the accounting for uncertainty in income tax positions, and provides guidance on when tax positions are recognized in an entity's financial statements and how the values of these positions are determined. There has been no impact on the Medical Center's financial statements as a result of Topic 740.

(o) *Functional Expense Classification*

All expenses in the accompanying statements of operations were incurred for or related to the provision of healthcare services by the Medical Center.

(p) *Transfers of Capital*

The Medical Center and NMHS direct and approve capital conversions and contributions for NMHS affiliates based upon various factors, including the nature of the original advance, affiliate repayment ability, and anticipated future support of the affiliate. The Medical Center and NMHS management actively monitor amounts due from affiliates and periodically present recommendations to their respective Boards of Directors for conversion of loans and advances to capital. In the period approved by the Boards, such conversions are accounted for as transfers of capital.

(q) *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. The Medical Center had no permanently restricted net assets at either September 30, 2011 or 2010.

(r) *Pension Accounting Standard*

The Medical Center follows the recognition and disclosure provisions of FASB ASC Subtopic 715-20 for Defined Benefit Plans ("Subtopic 715-20"). Subtopic 715-20 requires (among other things) that a plan sponsor recognize the unfunded status of its defined benefit pension plan on its balance sheets. As described further in note 16, the Medical Center participates in a defined benefit pension plan sponsored by NMHS.

(s) *Fair Value Measurements*

The Medical Center applies FASB ASC Topic 820 for Fair Value Measurements and Disclosures (Topic 820), which establishes an enhanced framework for measuring fair value and expands disclosures about fair value measurements.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The Medical Center also follows FASB Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*, which amended Topic 820. ASU 2010-06 requires that the Medical Center provide enhanced disclosures related to its fair value measurements.

(t) *Endowment Accounting*

The Medical Center follows the provisions of FASB ASC Subtopic 958-205 for Classification of Donor-Restricted Endowment Funds Subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) ("Subtopic 958-205"). Subtopic 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the UPMIFA and also requires disclosures about endowment funds (both donor-restricted and board-designated). As of September 30, 2011, the State of Mississippi has not enacted a version of UPMIFA.

(u) *New Accounting Pronouncements*

Recently Adopted

In January 2010, the FASB issued ASU 2010-07, Not-for-Profit Entities: Mergers and Acquisitions, which amends ASC 958 for Not-for-Profit Entities (NFP). The amendments in this standard provide guidance on, among other things, accounting for combinations of NFPs. It defines a merger of NFPs as one in which one NFP cedes control to another NFP. In the case of a merger, the carryover method applies, which requires combining the assets and liabilities as of the merger date. Combinations are accounted for as acquisitions when consideration is transferred to the former owner or designee. Acquisitions are accounted for by applying fair market values to acquired assets and liabilities, including identifiable intangible assets and the recognition of goodwill in the case of NFPs with operations not predominantly supported by contributions. Any resulting goodwill is analyzed for impairment annually or if business conditions indicate an analysis is necessary, and is not otherwise amortized.

The new not-for-profit guidance also amends ASC Topic 350 for Intangibles – Goodwill and Other, to be fully applicable to not-for-profit entities. Under ASC Topic 350, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed for impairment annually, or more frequently if circumstances indicate potential impairment. Separable intangible assets that are not deemed to have an indefinite life continue to be amortized over their useful lives. The Medical Center's adoption of this new intangible asset accounting in fiscal 2011 did not have any impact on its financial statements.

Recently Issued

The FASB issued ASU 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure*, in August 2010. ASU 2010-23 amends ASC Subtopic 954-605 for Health Care Entities – Revenue Recognition, to require that cost be used as the measurement basis for charity care disclosure purposes. The method used to estimate such costs as well as any funds received to offset or subsidize charity services provided should also be disclosed. The Medical Center expects to adopt this ASU in fiscal 2012.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The FASB issued ASU 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, in August 2010. ASU 2010 – 24 amends ASC Subtopic 954-450 for Health Care Entities – Contingencies, to clarify that a health care entity should not net insurance recoveries against a related liability and the claim liability should be determined without consideration of insurance recoveries. The ASU is effective for the Medical Center's fiscal 2012.

In July 2011, the FASB issued ASU 2011-07, *Health Care Entities: Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. This ASU will change the Medical Center's presentation of the provision for uncollectible accounts in the statements of operations from an operating expense to a deduction from net patient service revenue. It also expands disclosures regarding policies for recognizing revenue, assessing contra revenue line items, and activity in the allowance for uncollectible accounts. The Medical Center expects to adopt this ASU in fiscal 2013.

The FASB issued ASU 2011-08, *Testing Goodwill for Impairment*, in September 2011. ASU 2011-08 permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step test for impairment of goodwill. If an entity concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, it would not be required to perform the two-step impairment test for that reporting unit. The Medical Center expects to adopt this ASU in fiscal 2012.

(v) Reclassifications

Certain reclassifications have been made in the 2010 financial statements to conform with the 2011 presentation.

(2) Investments and Assets Limited As To Use

The composition of investments follows (in thousands):

	2011	2010
Obligations of the U.S. Government and its agencies	\$ 124,084	127,683
Obligations of states and political subdivisions	62	2,053
Corporate debt securities	99,557	78,836
Corporate equity securities	6,634	8,906
Mutual funds	130,191	135,771
	<u>\$ 360,528</u>	<u>353,249</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The composition of assets limited as to use follows (in thousands):

	2011	2010
Under indenture agreements – held by trustee:		
Obligations of the U.S. Government and its agencies	\$ 57,951	74,462
Accrued interest receivable	376	571
	<u>58,327</u>	<u>75,033</u>
Less deposits classified as other current assets	<u>1,781</u>	<u>276</u>
	<u>56,546</u>	<u>74,757</u>
By Board for capital improvements:		
Cash and cash equivalents	8,087	8,337
Obligations of the U.S. Government and its agencies	14,960	15,058
Obligations of states and political subdivisions	7	242
Corporate debt securities	12,003	9,297
Corporate equity securities	800	1,050
Mutual funds	15,697	16,011
Accrued interest receivable	41	40
	<u>51,595</u>	<u>50,035</u>
Total assets limited as to use	<u>\$ 108,141</u>	<u>124,792</u>

In accordance with Topic 820, the Medical Center has categorized its financial instruments, based on the priority of inputs used in related valuation techniques, into a three level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1), inputs other than quoted prices that are observable, either directly or indirectly (Level 2), and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

When available, the Medical Center generally uses quoted market prices to determine fair value, and classifies such items as Level 1. The Medical Center's Level 2 securities are bonds whose fair values are determined by independent vendors, or non-traded funds whose underlying securities would otherwise be considered Level 1. The vendors compile prices from various sources and may apply matrix pricing for similar bonds or loans where no price is observable in an actively traded market. If available, the vendor may also use quoted prices for recent trading activity of assets with similar characteristics to the bond being valued.

At September 30, 2011 and 2010, none of the Medical Center's investments and assets limited as to use were categorized as Level 3 in the fair value hierarchy.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The fair value hierarchy of investments at September 30, 2011 and 2010 follows (in thousands):

	2011	
	Level 1	Level 2
	Total	
Obligations of the U.S. Government and its agencies	\$ —	124,084
Obligations of states and political subdivisions	—	62
Corporate debt securities:		
Corporate bonds:		
Financials	—	33,575
Industrials	—	43,766
Utilities	—	9,033
Other	—	5,425
Foreign bonds and notes	—	6,983
Convertible bonds	—	775
Corporate equity securities:		
Consumer discretionary	1,863	—
Consumer staples	277	—
Energy	609	—
Financial services	969	—
Foreign equities	121	—
Health care	528	—
Industrials	860	—
Information technology	261	—
Materials and processing	871	—
Telecommunication services	275	—
Mutual funds:		
Large cap equity securities	21,236	—
Small and mid cap equity securities	4,562	—
Core value equity securities	13,003	—
International equity securities	15,016	—
Debt securities	76,374	—
	<u>\$ 136,825</u>	<u>223,703</u>
		<u>360,528</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

	2010		
	Level 1	Level 2	Total
Obligations of the U.S. Government and its agencies	\$ —	127,683	127,683
Obligations of states and political subdivisions	—	2,053	2,053
Corporate debt securities:			
Corporate bonds:			
Financials	—	26,226	26,226
Industrials	—	36,332	36,332
Utilities	—	9,290	9,290
Other	—	3,437	3,437
Foreign bonds and notes	—	3,551	3,551
Corporate equity securities:			
Consumer discretionary	2,798	—	2,798
Consumer staples	303	—	303
Energy	988	—	988
Financial services	1,349	—	1,349
Foreign equities	117	—	117
Health care	928	—	928
Industrials	970	—	970
Information technology	198	—	198
Materials and processing	938	—	938
Telecommunication services	317	—	317
Mutual funds:			
Large cap equity securities	26,367	—	26,367
Small and mid cap equity securities	4,762	—	4,762
Core value equity securities	14,454	—	14,454
International equity securities	21,273	—	21,273
Debt securities	68,915	—	68,915
	\$ <u>144,677</u>	<u>208,572</u>	<u>353,249</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The fair value hierarchy of assets limited as to use at September 30, 2011 and 2010 follows (in thousands):

	2011		
	Level 1	Level 2	Total
Under indenture agreements – held by trustee:			
Obligations of the U.S. Government and its agencies	\$ —	57,951	57,951
Accrued interest receivable	376	—	376
	<u>\$ 376</u>	<u>57,951</u>	<u>58,327</u>
By Board for capital improvements.			
Cash and cash equivalents	\$ 8,087	—	8,087
Obligations of the U.S. Government and its agencies	—	14,960	14,960
Obligations of states and political subdivisions	—	7	7
Corporate debt securities:			
Corporate bonds:			
Financials	—	4,048	4,048
Industrials	—	5,277	5,277
Utilities	—	1,089	1,089
Other	—	654	654
Foreign bonds and notes	—	842	842
Convertible bonds	—	93	93
Corporate equity securities:			
Consumer discretionary	225	—	225
Consumer staples	33	—	33
Energy	73	—	73
Financial services	117	—	117
Foreign equities	15	—	15
Health care	64	—	64
Industrials	104	—	104
Information technology	31	—	31
Materials and processing	105	—	105
Telecommunication services	33	—	33
Mutual funds:			
Large cap equity securities	2,561	—	2,561
Small and mid cap equity securities	550	—	550
Core value equity securities	1,568	—	1,568
International equity securities	1,810	—	1,810
Debt securities	9,208	—	9,208
Accrued interest receivable	41	—	41
	<u>\$ 24,625</u>	<u>26,970</u>	<u>51,595</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

		2010	
	Level 1	Level 2	Total
Under indenture agreements – held by trustee:			
Obligations of the U.S. Government and its agencies	\$ —	74,462	74,462
Accrued interest receivable	571	—	571
	<u>\$ 571</u>	<u>74,462</u>	<u>75,033</u>
By Board for capital improvements:			
Cash and cash equivalents	\$ 8,337	—	8,337
Obligations of the U.S. Government and its agencies	—	15,058	15,058
Obligations of states and political subdivisions	—	242	242
Corporate debt securities:			
Corporate bonds:			
Financials	—	3,093	3,093
Industrials	—	4,284	4,284
Utilities	—	1,096	1,096
Other	—	405	405
Foreign bonds and notes	—	419	419
Corporate equity securities:			
Consumer discretionary	330	—	330
Consumer staples	36	—	36
Energy	117	—	117
Financial services	159	—	159
Foreign equities	14	—	14
Health care	109	—	109
Industrials	114	—	114
Information technology	23	—	23
Materials and processing	111	—	111
Telecommunication services	37	—	37
Mutual funds:			
Large cap equity securities	3,109	—	3,109
Small and mid cap equity securities	562	—	562
Core value equity securities	1,704	—	1,704
International equity securities	2,509	—	2,509
Debt securities	8,127	—	8,127
Accrued interest receivable	40	—	40
	<u>\$ 25,438</u>	<u>24,597</u>	<u>50,035</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The composition of net investment income follows (in thousands):

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 8,197	9,997
Unrealized and realized investment gains (losses), net	<u>(537)</u>	<u>12,615</u>
Net investment income	7,660	22,612
Less: Investment income included in other revenue	<u>218</u>	<u>9</u>
Investment income classified as nonoperating gains, net	<u>\$ 7,442</u>	<u>22,603</u>

(3) Trusteed Funds

The trusteed funds were established in accordance with the requirements of the indentures related to the various Mississippi Hospital Equipment and Facilities Authority revenue bond issues discussed in note 10.

The composition of trusteed funds follows (in thousands):

	<u>2011</u>	<u>2010</u>
Bond principal and interest funds	\$ 14	23
Acquisition fund	57,937	74,439
Accrued interest receivable	<u>376</u>	<u>571</u>
	58,327	75,033
Less deposits classified as other current assets	<u>1,781</u>	<u>276</u>
	<u>\$ 56,546</u>	<u>74,757</u>

Deposits classified as current assets will be used to relieve obligations classified as current liabilities at September 30. The acquisition fund was established with proceeds from the August 2010 issuance of the 2010 Series 1 revenue bonds (see note 10) and is being used to pay certain costs of construction and renovation projects at the Medical Center, as discussed in note 8.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(4) Patient Accounts Receivable

The composition of net patient accounts receivable follows (in thousands):

	<u>2011</u>	<u>2010</u>
North Mississippi Medical Center, Inc.	\$ 115,261	107,033
Tupelo Service Finance, Inc. (TSF – see note 14)	70,478	56,495
	<u>185,739</u>	<u>163,528</u>
Less allowance for uncollectible accounts	83,063	71,758
	<u>\$ 102,676</u>	<u>91,770</u>

(5) Business and Credit Concentrations

The Medical Center grants credit to patients, substantially all of whom reside in the Medical Center's service area as described in note 1. The Medical Center generally does not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies (e.g., Medicare, Medicaid, Blue Cross, preferred provider arrangements, and commercial insurance policies).

The mix of receivables from patients and third-party payors, exclusive of transfers to TSF, follows:

	<u>2011</u>	<u>2010</u>
Patients	29%	32%
Medicare	25	25
Commercial insurance	20	22
Other third-party payors	7	5
Blue Cross	8	7
Health Link (see note 14)	6	4
Medicaid	5	5
	<u>100%</u>	<u>100%</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(6) Other Current Assets

The composition of other current assets follows (in thousands):

	<u>2011</u>	<u>2010</u>
Assets limited as to use - required for current liabilities	\$ 1,781	276
Other receivables	1,691	2,100
Due from third-party payors	1,369	—
Inventories	12,247	10,940
Prepaid expenses	1,524	2,245
	<u>\$ 18,612</u>	<u>15,561</u>

As part of the Medical Center's efforts in adopting, implementing and upgrading its electronic health records (EHR) technology (see note 12), the Medical Center qualified for the first year payment under the State of Mississippi's Medicaid EHR incentive program. As a result, the Medical Center has recorded a related receivable, as a component of due from third-party payors, of approximately \$1,369,000 as of September 30, 2011 and a like amount as other revenue in the accompanying fiscal 2011 statement of operations.

(7) Other Assets

The composition of other assets follows (in thousands):

	<u>2011</u>	<u>2010</u>
Unamortized bond issuance costs	\$ 1,701	1,834
Due from affiliates (note 14)	12,490	5,201
Interest in net assets of affiliated foundation	2,475	2,389
Prepaid software maintenance and training costs, net (see note 20)	14,172	16,105
Other	1,699	1,254
	<u>\$ 32,537</u>	<u>26,783</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(8) Property and Equipment

A summary of property and equipment follows (in thousands):

	<u>2011</u>	<u>2010</u>
Land and improvements	\$ 19,236	17,433
Buildings and improvements	240,736	232,087
Fixed equipment	89,677	85,913
Movable equipment	354,506	330,004
Construction in progress	47,104	44,658
	<u>751,259</u>	<u>710,095</u>
Less accumulated depreciation	497,730	465,558
	<u>\$ 253,529</u>	<u>244,537</u>

Construction in progress at September 30, 2011 is principally comprised of costs incurred for renovations of the main hospital facility, with the most significant portions of the renovation and construction projects planned for completion through the year ending September 30, 2013, and capitalized software license fees and support fees related to the information technology contract described in note 20. The estimated total remaining cost to complete renovation and construction projects in progress at September 30, 2011 is approximately \$46,000,000.

(9) Accrued Expenses and Other Current Liabilities

The composition of accrued expenses and other current liabilities follows (in thousands):

	<u>2011</u>	<u>2010</u>
Accrued payroll costs	\$ 17,522	18,079
Accrued compensated absences	11,147	10,671
Accrued workers' compensation costs	1,708	1,719
Due to third-party payors (note 12)	10,870	24,505
Accrued interest	2,589	1,540
Current portion of other long-term liability (see note 20)	6,488	6,731
Other	2,549	1,524
	<u>\$ 52,873</u>	<u>64,769</u>

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(10) Long-term Debt

A summary of long-term debt follows (in thousands):

	<u>2011</u>	<u>2010</u>
Mississippi Hospital Equipment and Facilities Authority		
Revenue Bonds:		
2010 Series 1	\$ 71,630	71,630
2003 Series 1	26,857	31,746
2003 Series 2	29,175	29,175
2001 Series 1	31,068	31,068
1997 Series 1	<u>19,776</u>	<u>20,828</u>
	178,506	184,447
Add unamortized net premium on 2010 Series 1 bonds	<u>3,663</u>	<u>4,370</u>
	182,169	188,817
Less current installments	<u>106,876</u>	<u>112,817</u>
	<u>\$ 75,293</u>	<u>76,000</u>

The Medical Center, along with certain NMHS affiliates (“the Obligated Group,” as defined), periodically issues tax-exempt revenue bonds under the terms of a related master indenture. Only the Medical Center’s shares of related indebtedness, accrued interest, bond issuance costs, and trustee funds are included in the accompanying financial statements. NMHS directs the allocation of such amounts to its affiliates in a fashion consistent with the use of the proceeds from allocated revenue bond issuances.

In July 2003, the Obligated Group issued the 2003 Series revenue bonds for \$98,400,000. A portion of the 2003 Series revenue bonds was used to refund the outstanding bonds from the 1993 bond series. The bond indenture between the Obligated Group and Mississippi Hospital Equipment and Facilities Authority has been released and the Obligated Group no longer has any obligations associated with the refunded issue.

In April 2008, the Obligated Group converted, as permitted under the original indenture agreement, the 2003 Series revenue bonds through a mandatory tender option from auction rate securities to variable rate demand obligations. Since the market liquidity of the 2003 Series revenue bonds is supported solely by the Obligated Group, the bonds are classified as current liabilities in the accompanying balance sheets.

In December 2008, the outstanding portions of the 1997 Series 1 and 2001 Series 1 revenue bonds of \$26,795,000 and \$40,000,000, respectively, were remarketed by the Obligated Group due to the expiration of the original Liquidity Facility on December 29, 2008. The revenue bonds as currently structured are not supported by an external liquidity facility or a financial institution credit facility, but are secured solely by the Obligated Group through notes issued between the Obligated Group and The Bank of New York Mellon Trust Company, N.A., trustee for the bondholders. The notes are the joint and several obligations of the Obligated Group and are secured by the pledge of the net revenues of each Obligated Group member, subject to permitted liens. The notes are equal to the principal amounts of the 1997 Series 1 and 2001 Series 1 revenue bonds and have terms and conditions requiring payments thereon sufficient to pay

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

the contractual maturities of the bonds when due. Since the market liquidity of the 1997 Series 1 and 2001 Series 1 revenue bonds is supported solely by the Obligated Group, the bonds are classified as current liabilities in the accompanying balance sheets.

In August 2010, the Medical Center issued the 2010 Series 1 revenue bonds for \$71,630,000 (interest fixed at coupon rates ranging from 4.75% to 5.00%) with an original issue net premium of \$4,388,658. Proceeds from the bonds are being used for certain renovations of the main hospital facility (see note 8) and for the payment of costs incurred in connection with the issuance of the bonds.

Certain trusteed assets as described in note 3 and the future net revenues of the Obligated Group are pledged as security for payment of the various revenue bonds. Additionally, the Obligated Group is required to comply with certain financial and nonfinancial covenants customary of such obligations.

Except for the 2010 Series 1 fixed rate bonds, all currently outstanding revenue bonds bear interest at variable rates and are supported by remarketing agreements and the Obligated Group's institutional commitment to provide market liquidity. Interest rates are periodically adjusted based upon prevailing rates for the contract period related to the remarketed tranche. In the event a market for variable rate instruments is not sustained, the Obligated Group would be required, if necessary, to provide sustaining liquidity to honor the "put" feature of the then-existing bondholders. The maximum annual interest rate which the 2003, 2001 and 1997 bonds may bear is 13%. The average annual interest rate paid on the 2003, 2001 and 1997 revenue bonds approximated 1.5% and 1.6% for the years ended September 30, 2011 and 2010, respectively.

Interest is periodically due on the variable rate revenue bonds at the end of related contract periods, while interest on the fixed rate bonds is due semi-annually.

The Medical Center paid interest on long-term debt of approximately \$2,479,000 in 2011 and \$333,000 in 2010, which included capitalized interest of \$2,641,000 and \$261,000 in 2011 and 2010, respectively.

Principal is due in varying amounts each May 15 until the year 2033. Future maturities of the Medical Center's long-term debt, assuming the demand bonds are not called during the next 12 months, by year and in the aggregate, follow (in thousands):

2012	\$	6,140
2013		6,343
2014		6,545
2015		6,770
2016		6,978
Thereafter		145,730
	\$	<u>178,506</u>

(11) Derivative Financial Instruments

The Obligated Group has executed interest rate swap agreements for the purpose of synthetically converting certain variable rate debt obligations to fixed rate instruments. Accordingly, notional swap amounts are tied to related revenue bond principal balances. As further described in note 10, NMHS directs

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

the allocation of such amounts to applicable affiliates. A summary of information related to the Medical Center's allocated swap positions at September 30, 2011 and 2010 follows:

2011						
Related bond issuance	Notional amount (in thousands)	Maturity date	Rate paid	Average rate received	Net settlement amount (in thousands)	Swap fair value liability (in thousands)
2003 Series 1	\$ 26,857	5/15/2016	2.725%	0.1451%	\$ (770)	(1,792)
2003 Series 2	23,875	5/15/2033	3.437	0.1604	(782)	(6,127)
Total fair value of derivative instruments						<u>\$ (7,919)</u>

2010						
Related bond issuance	Notional amount (in thousands)	Maturity date	Rate paid	Average rate received	Net settlement amount (in thousands)	Swap fair value liability (in thousands)
2003 Series 1	\$ 31,746	5/15/2016	2.725%	0.1713%	\$ (886)	(2,238)
2003 Series 2	23,875	5/15/2033	3.437	0.1816	(777)	(4,741)
Total fair value of derivative instruments						<u>\$ (6,979)</u>

In accordance with U.S. generally accepted accounting principles, the Medical Center has categorized its interest rate swap positions as Level 2 in the fair value hierarchy as described in note 2. Obligated Group interest rate swaps are executed over the counter and are valued using the net present value of cash flow streams, adjusted for risk associated with credit default, as no quoted market prices exist for such instruments. NMHS also employs an independent third party to perform mark-to-market valuation assessments on the swaps to assess the valuations otherwise received by NMHS.

(12) Net Patient Service Revenue

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

- Medicare – Substantially all acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Certain types of exempt services and other defined payments related to Medicare program beneficiaries are paid based upon cost reimbursement or other retroactive-determination methodologies. The Medical Center is paid for retroactively determined items at a tentative rate, with final settlement determined after submission of annual cost reports by the Medical Center and audits by the Medicare fiscal intermediary. The Medical Center's cost reports have been audited and substantially settled for all fiscal years through September 30, 2006. Revenue from the Medicare program accounted for approximately 39% and 38% of the Medical Center's net patient service revenue for the years ended September 30, 2011 and 2010, respectively.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

- **Medicaid** – Inpatient and certain outpatient services rendered to Medicaid program beneficiaries are generally paid based upon prospective reimbursement methodologies established by the State of Mississippi. Certain other outpatient services rendered to Medicaid beneficiaries are paid based on cost reimbursement and other retroactive–determination methodologies. The Medical Center is reimbursed for retroactively determined items at tentative rates, with final settlement determined after submission of annual cost reports by the Medical Center and audits by the State of Mississippi Medicaid program. Revenue from the Medicaid program accounted for approximately 11% of the Medical Center’s net patient service revenue for both the years ended September 30, 2011 and 2010.

The Medical Center participates in the State of Mississippi’s Medicare Upper Payment Limit (UPL) program for providers participating in the state Medicaid program. Amounts received by the Medical Center in excess of amounts paid into the UPL program were approximately \$19,129,000 and \$19,082,000 for the years ended September 30, 2011 and 2010, respectively, and have been recognized as reductions in related contractual adjustments in the accompanying statements of operations. There can be no assurance that the Medical Center will continue to qualify for future participation in this program or that the program will not ultimately be discontinued or materially modified.

- **Blue Cross and Blue Shield of Mississippi (Blue Cross)** – All acute care services rendered to Blue Cross program beneficiaries are reimbursed at prospectively determined rates. Revenue from Blue Cross accounted for approximately 14% and 19% of the Medical Center’s net patient service revenue for the years ended September 30, 2011 and 2010, respectively.

The Medical Center has also entered into other reimbursement arrangements providing for payment methodologies which include prospectively determined rates per discharge, discounts from established charges, and prospectively determined per diem rates.

The composition of net patient service revenue follows (in thousands):

	2011	2010
Gross patient service revenue	\$ 1,287,348	1,216,176
Less provision for contractual and other adjustments	689,791	644,221
Net patient service revenue	<u>\$ 597,557</u>	<u>571,955</u>

Changes in estimates related to prior cost reporting periods resulted in increases of approximately \$11,928,000 and \$2,129,000 in net patient service revenue for the years ended September 30, 2011 and 2010, respectively.

In the spring of 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the Health Care Acts) were signed into law by President Obama. The impact of the Health Care Acts is complicated and difficult to predict, but the Medical Center anticipates its reimbursement in the future will be affected by major elements of the Health Care Acts designed to (1) increase insurance coverage, (2) change provider and payor behavior, and (3) encourage alternative delivery models. Many healthcare reform variables remain unknown and are, among other things, dependent on implementation by federal and state governments and reactions by providers, payors,

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

employers, and individuals. The Medical Center continues to monitor developments in healthcare reform and participates actively in contemplating and designing new programs that are encouraged and/or required by the Health Care Acts.

The Health Information Technology for Economic and Clinical Health (HITECH) Act was enacted as part of the American Recovery and Reinvestment Act of 2009 and signed into law in February 2009. In the context of the HITECH Act, the Medical Center must implement a certified Electronic Health Record (EHR) in an effort to promote the adoption and “meaningful use” of health information technology (HIT). The HITECH Act includes significant monetary incentives and payment penalties meant to encourage the adoption of EHR technology. The Medical Center anticipates that its current efforts at implementing an enterprise-wide EHR will enable its compliance with the Meaningful Use objectives mandated in the HITECH legislation.

(13) Service to the Community

The mission of the Medical Center is to continuously improve the health of its service population. In carrying out its mission and in being an active, caring member of the community, the Medical Center serves the community in a variety of ways.

One of the primary ways the Medical Center serves the community is by providing care to various populations for which it receives little or no compensation, or for which it receives compensation at rates significantly less than established rates. This is a critical matter of community service which is further described below.

Based on gross charges, for the year ended September 30, 2011 approximately 10% of the Medical Center’s total services and 28% of total emergency room services were provided to patients with no insurance. For the year ended September 30, 2010, approximately 11% of the Medical Center’s total services and approximately 28% of total emergency room services were provided to patients with no insurance. Historically, the Medical Center collects only a small percentage of amounts otherwise due from uninsured patients; a significant portion of these uncollectible accounts ultimately meet the charity requirements described below and the remaining uncollectible accounts result in write-offs to bad debt.

The Medical Center follows the community benefit reporting guidance provided in *A Guide for Planning and Reporting Community Benefit* published by the Catholic Health Association of the United States in 2006, and therefore does not formally consider bad debt a part of the community benefit it provides. Nevertheless, bad debt is an important component of the Medical Center’s overall uncompensated care burden.

The Board of Directors of the Medical Center has established a policy under which the Medical Center provides care, without charge, to needy members of its community. The charity care policy states that the Medical Center will provide necessary hospital services free of charge to patients at threshold household income levels, which are based on the federal poverty guidelines as adjusted for the median income for Mississippi compared to the median income nationally. The Mississippi adjusted poverty guideline is approximately 71% of the federal poverty rate. The policy further provides that patients with household income levels above the Mississippi adjusted poverty guideline will be liable for no more than the amount that their household income exceeds the applicable federal poverty guidelines. The policy applies to individuals who reside in the Medical Center’s 24-county service area, as defined by the policy. Patients

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

from outside the service area may also be granted charity care based on the judgment of Medical Center management and depending on individual circumstances. The policy also requires patients to cooperate fully with the Medical Center's requests for information to verify patient eligibility.

Following that policy, the Medical Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Charges foregone, based on established rates, totaled approximately \$72,500,000 and \$71,700,000 in 2011 and 2010, respectively. Based on the gross charges provided to charity patients compared to total Medical Center gross charges, 5% and 6% of all services in 2011 and 2010, respectively, were provided on a charity basis.

The net cost of charity care provided by the Medical Center was approximately \$26,638,000 and \$26,772,000 in 2011 and 2010, respectively. The total cost estimate is based on the ratio of operating costs, less the provision for uncollectible accounts, to charges.

In addition to community services directly associated with providing clinical care, the Medical Center seeks to strengthen community relationships through developing and maintaining a proactive involvement and outreach program aimed at creating an inclusive and lasting relationship with the community. Examples of the Medical Center's community involvement include the following:

School Nurses – The Medical Center employs registered nurses and certified health educators and provides their services to schools in its service area at no cost to the school systems. These nurses and educators provide basic healthcare and instructional services to the students in the schools they serve. The cost of providing these services was approximately \$1,244,000 and \$1,194,000 for the years ended September 30, 2011 and 2010, respectively.

Athletic Trainers – The Medical Center employs certified athletic trainers who provide services to high schools in its service area at no cost. The trainers work with the sports teams at these schools on a daily basis during practice and training, as well as at in-season competitions. The cost of providing these services was approximately \$570,000 and \$523,000 for the years ended September 30, 2011 and 2010, respectively.

Community Health Outreach Activities – The Medical Center has a commitment to a wide variety of community health outreach activities, which are coordinated by the Community Health department and are staffed by employees of that department as well as by Medical Center employees who volunteer their time to help with these events and activities. The Community Health department assists in educating the community on health-related issues by organizing and presenting various health fairs and seminars. These events are held at local businesses, schools, and community organizations and address such issues as cancer care, heart health, bone and joint care, sinus and allergy issues, newborn and child care, and other health-related topics. In addition, the Community Health department sponsors cholesterol, blood pressure, vision, memory, and heart-risk screening events, through which tests are made available to the public for a nominal fee or at no charge with the majority of the costs incurred absorbed by the Medical Center. The cost associated with the outreach activities provided by the Community Health department was approximately \$387,000 and \$336,000 for the years ended September 30, 2011 and 2010, respectively.

Support for Local Nursing Schools – In order to help ensure an adequate supply of nursing professionals to care for the Medical Center's patients, the Medical Center provides direct financial support to several local

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

nursing schools. The Medical Center's contributions to these nursing schools approximated \$50,000 during the year ended September 30, 2011.

Although the Medical Center has estimated the cost of each of these efforts to serve north Mississippi and the surrounding area, management and the Board of Directors believe that such costs represent only one facet of the many ways the Medical Center serves the community. The above examples relate only to certain measurable benefits that the Medical Center provides to its service area. This presentation is not intended to measure all such community benefits, many of which are intangible in nature or otherwise not quantifiable.

(14) Related Party Transactions

Consistent with its mission as a multidimensional healthcare system, NMHS controls a number of related affiliates, including TSF and Acclaim, Inc. (Acclaim).

Certain routine management, financial, and accounting services are provided for the Medical Center by NMHS. Additionally, Acclaim is the third-party administrator for the NMHS system-wide employee health plan. The cost of these services, totaling approximately \$24,017,000 and \$22,570,000 for the years ended September 30, 2011 and 2010, respectively, is included in expenses in the accompanying statements of operations.

The Medical Center participates in certain NMHS managed care network (Health Link) offerings and derives a portion of its net revenues from the provision of discounted services to members covered under related preferred provider contracts. Such net revenues approximated \$47,146,000 and \$58,532,000 for the years ended September 30, 2011 and 2010, respectively.

Patient accounts receivable are periodically sold with recourse to TSF, which operates as a third-party collection agency for the NMHS system and charges referring affiliates a fee of 15% of collected amounts. TSF has the right to unilaterally return accounts which have not been collected within six months from the date of sale, but often holds accounts for longer periods of time. The estimated net realizable value of accounts held at TSF is included in net patient accounts receivable in the accompanying balance sheets, generally based on an extended rolling average of TSF collections experience with the Medical Center's sold accounts.

Amounts due from affiliates consist of interest and non-interest-bearing demand notes receivable, interest-bearing notes receivable with extended repayment terms and other cash advances, all of which are typically lent or advanced at the direction of NMHS to other controlled subsidiaries, primarily to finance construction and equipment purchases and to provide working capital financing. Some amounts due to the Medical Center from affiliates will be converted to capital of the affiliates by NMHS in future periods and such amounts may be material. Such conversions are based on various factors, including the nature of the original advances, the affiliates' repayment ability and anticipated future support of the affiliates. Managements of NMHS and the Medical Center actively monitor amounts due from affiliates and periodically present recommendations to the respective Boards of Directors for conversions of loans and advances to capital. In the period approved by the Boards, such conversions are accounted for as transfers of capital from the Medical Center to the applicable NMHS subsidiary. Transfers of capital from the Medical Center to affiliates of NMHS were approximately \$11,521,000 in 2010. No such transfers of capital occurred in 2011.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

(15) Leases

Rental expense for all operating leases was approximately \$1,388,000 and \$1,430,000 in 2011 and 2010, respectively. There were no significant noncancelable operating leases at September 30, 2011.

In late 2010, the FASB issued for comment *Proposed Accounting Standards Update – Leases (Topic 840)*. After receiving and considering significant feedback, the FASB intends to issue a related final ASU in calendar year 2012. This new guidance is expected to require the Medical Center to recognize virtually all of its leases on the balance sheet. Assuming the ASU is in fact issued, adoption could cause considerable changes in the presentation of the Medical Center's debt and interest expense in its financial statements (among other things). Management is reviewing the implications of the proposed ASU for the Medical Center, including potential implications for any agreements and arrangements which might be impacted by this potential major accounting change. While that work is ongoing, management is optimistic that there will not be material issues associated with important related matters, such as overall credit ratings for the Obligated Group or future debt covenant compliance.

(16) Employee Benefit Plans

The Medical Center participates in a defined benefit pension plan sponsored by NMHS. The plan is a contributory pension plan covering all permanent employees who make application to become participants, have attained the age of 21 and completed one year of service as defined in the plan. Participants are required to contribute 1% of their annual compensation. The Medical Center contributes an amount equal to the difference between employees' contributions and the amount required to fund the plan as determined by consulting actuaries.

The pension accounting in the Medical Center's balance sheets results from the Medical Center's allocable portion of total net periodic pension cost and other pension accounting items (as applicable) for the plan as a whole. Such allocation is generally based on the ratio of the Medical Center's payroll to overall plan participant payroll. Detail information regarding the plan's funded status, including projected and accumulated plan benefits, is not available for the Medical Center's portion of the plan. Net periodic pension cost allocated to the Medical Center was approximately \$8,696,000 and \$5,645,000 for the years ended September 30, 2011 and 2010, respectively, and is included in employee benefits in the accompanying statements of operations.

The Medical Center also participates in a contributory savings plan sponsored by NMHS. This plan covers most employees aged 21 and older who have completed one year of service as defined in the plan. Eligible employees may contribute up to 20% of compensation in any one year, subject to a regulatory limit. The Medical Center makes matching contributions equal to 50% of the employees' contributions, not to exceed 2% of total compensation. The Medical Center contributed approximately \$2,697,000 and \$2,482,000 to this plan during the years ended September 30, 2011 and 2010, respectively.

(17) Insurance Programs

The Medical Center participates in NMHS's self-insurance program with respect to general and professional liability risks. NMHS has substantial claims-made basis excess insurance coverage in place for such risks. As of and for the year ended September 30, 2011, NMHS's excess insurance coverage for general and professional liability risks consists of a \$4 million per claim self-insurance retention for

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

professional liability and a \$1 million per occurrence self-insurance retention for general liability, subject to a combined \$11 million aggregate. Effective October 1, 2011, NMHS's excess insurance coverage was renewed at the same levels of retention.

NMHS's employed physicians are covered by a first-dollar claims-made physician liability policy with a \$1 million per professional incident limit and a \$3 million aggregate limit.

Incurred losses identified under the Medical Center's incident reporting system and incurred but not reported losses are accrued in the NMHS consolidated financial statements based on estimates that incorporate the Medical Center's past experience, as well as other considerations such as the nature of each claim or incident, relevant trend factors, and advice from consulting actuaries. Because the terms of the Medical Center's participation in the NMHS general and professional liability program provide for first-dollar claims-made coverage at the affiliate level, reserves related to general and professional liability exposures are held at the NMHS consolidated level and not allocated to individual affiliates.

NMHS has established a self-insurance trust fund for payment of liability claims and makes deposits to the fund in amounts determined by consulting actuaries. As also noted above, liability accruals and related trust funding associated with the NMHS liability insurance program are recognized in the NMHS consolidated financial statements. NMHS also has substantial excess liability coverage available under the provisions of certain claims-made policies, currently expiring on October 1, 2012. To the extent that any claims-made coverage is not renewed or replaced with equivalent insurance, claims based on occurrences during the term of such coverage, but reported subsequently, would be uninsured. Management believes, based on incidents identified through the Medical Center's incident reporting system, that any such claims would not have a material effect on the Medical Center's results of operations or financial position. In any event, management anticipates that the claims-made coverage currently in place will be renewed or replaced with equivalent insurance as the term of such coverage expires.

The Medical Center recognized its share of program expense (based on the above programs and actual experience), net of related investment earnings (losses), totaling approximately \$2,309,000 and \$3,034,000 for the years ended September 30, 2011 and 2010, respectively, which is included as a component of administrative and general expenses in the accompanying statements of operations.

The Medical Center also participates in NMHS's self-insurance program with respect to employee health coverage (up to a lifetime limit of \$1,000,000 per employee) and workers' compensation (up to a limit of \$300,000 per individual claim). Substantial excess insurance coverage is maintained for potential excess losses under the workers' compensation program.

(18) Financial Instruments

The carrying amounts of all applicable asset and liability financial instruments reported in the balance sheets (except amounts due from affiliates and the 2010 Series 1 revenue bonds) approximate their estimated fair values, in all significant respects, at September 30, 2011 and 2010. Fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

It is not practicable to estimate the fair value of amounts due from affiliates because there is no established market for these receivables, and it would be cost prohibitive to otherwise value them. Additionally, these amounts are subject to capital conversion as discussed in note 14.

The fair value of the 2010 Series 1 revenue bonds at September 30, 2011 and 2010 was approximately \$77,660,000 and \$78,265,000, respectively.

(19) Temporarily Restricted Net Assets

Temporarily restricted net assets (currently held at Health Care Foundation of North Mississippi, an affiliated foundation) are available for the following purposes at September 30, 2011 and 2010 (in thousands):

	2011	2010
Patient assistance	\$ 753	723
Purchase of equipment and other property	712	727
Education	315	305
General support restricted due to time	695	634
	<u>\$ 2,475</u>	<u>2,389</u>

(20) Information Technology Contract

The Medical Center has entered into a ten-year software and services agreement with a major information technology vendor. The agreement generally commits the Medical Center to the purchase of a variety of information technology products and services from this vendor for a defined payment stream over the term of the contract. Certain software license and support fees and related implicit maintenance costs (totaling approximately \$37,670,000) were capitalized during fiscal 2010 with recognition of an associated liability related to the Medical Center's acquisition of these intangible assets. Capitalized software license fees and support fees of approximately \$19,633,000 are included in construction in progress at September 30, 2010. Such costs are amortized as the software is placed into service. Implied maintenance costs of approximately \$17,483,000 are being amortized over the estimated useful life of the implicit maintenance period of ten years and implied training costs of \$554,000 are being amortized over the implicit training period of three years. Such costs are included in other assets in the accompanying balance sheets (see note 7). Other contract costs are evaluated for capitalization or expense recognition under relevant accounting literature as associated products and/or services are provided.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

The following table summarizes the future payment commitments by year under the contract as of September 30, 2011 (in thousands):

	Capitalized software and implicit maintenance costs obligation
2012	\$ 7,324
2013	2,311
2014	2,311
2015	2,311
2016	2,311
2017	2,311
2018	2,311
2019	2,311
Total	23,501
Less amounts representing interest at 5%	3,479
Total obligation	20,022
Less current portion (included in accrued expenses and other current liabilities – see note 9)	6,488
Long-term obligation (included as other long-term liability in the accompanying 2011 balance sheet)	\$ 13,534

In addition to the above payments, the Medical Center is required under the agreement to purchase approximately \$4,700,000 of equipment, of which approximately \$596,000 and \$2,675,000 was acquired and capitalized during fiscal 2011 and 2010, respectively.

Interest paid under the agreement in fiscal 2011 and 2010 was approximately \$1,126,000 and \$561,000, respectively.

(21) Current Economic Environment

The U.S. economy appears to be slowly recovering from the downturn of the past several years. The combined NMHS and Medical Center management group monitors economic conditions closely, both with respect to potential impacts on the healthcare provider industry and from a more general business perspective. While the Medical Center was able to achieve certain objectives of importance in the current economic environment management recognizes that economic conditions may continue to impact the Medical Center in a number of ways, including (but not limited to) uncertainties associated with U.S. financial system reform and rising self-pay patient volumes and corresponding increases in uncompensated care.

NORTH MISSISSIPPI MEDICAL CENTER, INC.

Notes to Financial Statements

September 30, 2011 and 2010

Additionally, the general healthcare industry environment is increasingly uncertain, especially with respect to the impacts of federal healthcare reform legislation which was passed in the spring of 2010. Potential impacts of ongoing healthcare industry transformation include, but are not limited to:

- Significant (and potentially unprecedented) capital investment in healthcare information technology (HCIT);
- Continuing volatility in the state and federal government reimbursement programs;
- Lack of clarity related to the health benefit exchange framework mandated by reform legislation, including important open questions regarding the constitutionality of the legislation, exchange reimbursement levels, changes in combined state/federal disproportionate share payments, and impact on the healthcare “demand curve” as the previously uninsured enter the insurance system;
- Effective management of multiple major regulatory mandates, including achievement of meaningful use of HCIT and the transition to ICD-10; and
- Significant potential business model changes throughout the healthcare ecosystem, including within the healthcare commercial payor industry.

The business of healthcare in the current economic, legislative and regulatory environment is volatile. Any of the above factors, along with others both currently in existence and/or which may arise in the future, could have a material adverse impact on the Medical Center’s financial position and operating results.

(22) Subsequent Events

The Medical Center has evaluated subsequent events from the balance sheet date through January 13, 2012, the date the financial statements were issued, and determined there are no subsequent events to be recognized in the financial statements and related notes.

Additional Data

Software ID:
Software Version:
EIN: 64-0662976
Name: North Mississippi Medical Center Inc

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

(A) Name and Title	(B) Average hours per week	(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			
Richard Heyer MD Director	1 0	X						0	0	0
Skipper Holliman Director	1 0	X						0	0	0
Jim Kelley Chairman	1 0	X						0	0	0
Zell Long Director	1 0	X						0	0	0
Hughes Milam MD Vice Chairman	1 0	X						0	0	0
Mabel Murphree Director	1 0	X						0	0	0
Scott Reed Director	1 0	X						0	0	0
Chris Rogers Director	1 0	X						0	0	0
Al Tidwell Director	1 0	X						0	0	0
Mary Werner Director	1 0	X						0	0	0
Barney Guyton Director	1 0	X						0	0	0
Mark Ray Director	1 0	X						0	0	0
Wilson Long Director	1 0	X						0	0	0
Bruce Toppin Secretary/VP/General Counsel	1 0			X				0	294,160	8,380
Joseph A Reppert Treasurer/Executive V P /CFO	1 0			X				0	502,301	9,005
Steve Altmiller President	40 0			X				610,709	0	7,680
Bruce Ridgway Vice President	40 0				X			247,504	0	8,212
Mark S Williams VP/Chief Medical Officer	40 0				X			491,263	0	9,580
Johnny M Denham Service Line Administrator	40 0				X			185,055	0	0
Wanda Della Calce Service Line Administrator	40 0				X			167,146	0	2,781
Ellen Friloux Service Line Administrator	40 0				X			168,056	0	3,351
George Hand Service Line Administrator	40 0				X			157,645	0	6,694
Donna Lewis Service Line Administrator	40 0				X			168,752	0	3,368
Thomas E Bozeman Vice President	40 0				X			272,128	9,115	8,338
Brian Condit Physician	40 0					X		305,849	0	8,380

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week	(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			
David Brooks Physician	40 0					X		231,859	0	8,165
Casey L Humphries CRNA	40 0					X		241,875	0	8,797
Michael Benge CRNA	40 0					X		231,773	0	8,654
Robert K Rogers CRNA	40 0					X		221,034	0	8,622
John Heer Former President & CEO	0 0						X	0	1,093,005	9,580
Gerald Wages Former Treasurer	0 0						X	0	632,782	8,862