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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
JACKSON HOSPITAL AND CLINIC INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1725 PINE STREET NO 1200

City or town, state or country, and ZIP + 4
MONTGOMERY, AL 36106

D Employer identification number
63-6001820

E Telephone number
(334) 293-8000

G Gross receipts $ 183,533,708

F Name and address of principal officer
DONALD HENDERSON
1725 PINE STREET NO 1200
MONTGOMERY, AL 36106

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 JACKSON ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1946 | **M** State of legal domicile AL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
COMMUNITY NOT-FOR-PROFIT 344 BED HOSPITAL SERVING MONTGOMERY AND ALABAMA RIVER REGION

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**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,816
6	Total number of volunteers (estimate if necessary)	**6**	70
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	-42,848
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-62,537

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	65,778	112,741
	9 Program service revenue (Part VIII, line 2g)	171,671,051	176,605,815
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,360,390	2,325,952
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,674,413	4,467,972
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	181,771,632	183,512,480
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	74,125	93,068
	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)	67,597,583	72,255,560
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶318,125		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	102,072,211	107,587,230
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	169,743,919	179,935,858
	19 Revenue less expenses Subtract line 18 from line 12	12,027,713	3,576,622

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	226,168,830	229,518,318
	21 Total liabilities (Part X, line 26)	128,898,676	141,083,775
	22 Net assets or fund balances Subtract line 21 from line 20	97,270,154	88,434,543

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

****** | 2012-11-13
Signature of officer | Date

PETER C VERRECCHIA VP OF FINANCE
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ AMY BIBBY | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions) P00445891

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ DIXON HUGHES GOODMAN LLP
500 RIDGEFIELD COURT
ASHEVILLE, NC 28806

EIN ▶ 56-0747981

Phone no ▶ (828) 254-2254

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

TO PROVIDE SUPERIOR HEALTHCARE IN A SAFE, COMPASSIONATE ENVIRONMENT WHILE FULFILLING OUR CHARITABLE OBLIGATION AS A NOT-FOR-PROFIT ORGANIZATION

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 organization's program service accomplishments for each of its three largest program services, as measured 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 $ 150,670,851 including grants of $ 93,068) (Revenue $ 179,222,495)

JACKSON HOSPITAL OPERATES A GENERAL ACUTE CARE HOSPITAL THAT PROVIDES CERTAIN TERTIARY SERVICES SUCH AS NEUROLOGY AND NEUROSURGERY, CARDIOLOGY (INCLUDING CARDIAC CATHERIZATION AND CARDIOVASCULAR SURGERY) AND ONCOLOGY JACKSON HOSPITAL IS LICENSED FOR 344 BEDS THAT INCLUDE 30 INTENSIVE CARE BEDS AND 22 OBSTETRIC BEDS THE INPATIENT ANCILLARY AND SUPPORT SERVICES OFFERED BY JACKSON HOSPITAL ARE AS FOLLOWS ACUTE DIALYSIS, BLOOD BANK, CARDIAC CATHETERIZATION LABORATORY, NUCLEAR MEDICINE, NURSERY (LEVEL II), PHARMACY, PHYSICAL THERAPY, POST ANESTHESIA CARE, REPSIRATORY CARE, ELECTROCARDIOLOGY, INTENSIVE CARE, LABOR AND DELIVERY, MRI, CARDIOVASCULAR SURGERY, CARDIOVASCULAR LABORATORY, CLINICAL AND ANATOMCAL LABORATORY, COMPUTERIZED TOMOGRAPHY, CORONARY CARE, DIAGNOSTIC RADIOLOGY, SURGICLA FACILITIES AND ULTRASOUND THE OUTPATIENT ANCILLARY AND SUPPORT SERVICES OFFERED BY JACKSON HOSPITAL ARE AS FOLLOWS BLOOD BANK, CARDIAC CATHETERIZATION LABORATORY, EMERGENCY DEPARTMENT, ENDOSCOPY, LITHOTRIPSY, DIABETES TREATMENT CENTER, PAIN MANAGEMENT, PHYSICAL THERAPY, RESPIRATORY CARE, SLEEP LAB, ELECTROCARDIOLOGY, MRI, CARDIOVASCULAR LABORATORY, CLINICAL LABORATORY, COMPUTERIZED TOMOGRAPHY, DIAGNOSTIC RADIOLOGY, AMBULATORYSURGERY, ULTRASOUND AND WOUND CARE CENTER FOR THE 12 MONTHS ENDING DECEMBER 31, 2011, JACKSON HOSPITAL HAD 13,485 ADMISISONS, 63,528 PATIENT DAYS, 1,384 DELIVERIES, 18,274 OUTPATIENT SURGERIES, 44,950 EMERGENCY DEPARTMENT VISITS, 443,184 OUTPATIENT LABORATORY TESTS, 1,805 CATHETERIZATIONS AND 73,622 OUTPATIENT RADIOLOGY PROCEDURES

4b (Code) (Expenses $ including grants of $) (Revenue $)

PLEASE SEE SCHEDULE O FOR DETAILS ON SOME OF OUR COMMUNITY HEALTH PROGRAMS AND SERVICES

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 150,670,851

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**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*	4		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*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		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.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**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? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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 owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**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**	55		
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, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,816			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		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 or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate 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	1a	11		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7		
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?	2			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?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		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	9			No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	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?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

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 made 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 made 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 ▶

PETER C VERRECCHIA
1725 PINE STREET SUITE 1200
MONTGOMERY, AL 36106
(334) 293-8820

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JIM L RIDLING CHAIRMAN	1 00	X		X				0	0	0
(2) W KEN UPCHURCH III VICE CHAIRMAN	1 00	X		X				0	0	0
(3) PATRICK G RYAN MD SECRETARY	1 00	X		X				0	0	0
(4) ROGER S DUGGAR MD BOARD MEMBER	1 00	X						0	0	0
(5) E KYLE KYSER BOARD MEMBER	1 00	X						0	0	0
(6) CHARLOTTE MUSSAFER BOARD MEMBER	1 00	X						0	0	0
(7) JAMES T MCLAUGHLIN MD BOARD MEMBER	1 00	X						0	0	0
(8) GEORGE M HANDEY MD BOARD MEMBER	1 00	X						164,114	0	26,231
(9) KEITH KARST BOARD MEMBER	1 00	X						0	0	0
(10) RANDAL G COOK MD BOARD MEMBER	1 00	X						0	0	0
(11) GEORGE W THOMPSON III BOARD MEMBER	1 00	X						0	0	0
(12) DONALD G HENDERSON PRESIDENT / CEO	40 00			X				573,365	0	42,073
(13) PETER VERRECCHIA VP OF FINANCE	40 00			X				273,841	0	24,738
(14) VICTORIA JONES VICE PRESIDENT	40 00			X				405,304	0	38,500
(15) RICHARD CALDWELL VP/COO	40 00				X			263,728	0	39,816
(16) LARRY SHERBETT AVP OF FINANCE	40 00				X			160,975	0	18,361
(17) JANET MCQUEEN VP OF MARKETING & DEVELOPMENT	40 00				X			164,014	0	23,507

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) SHELLY WALLACE HENRIKSON VP OF PATIENT CARE	40 00				X			173,666	0	10,393
(19) ERIC S CUNNINGHAM PHYSICIAN	40 00					X		222,637	0	7,513
(20) MARGARET VEREB MD PHYSICIAN	40 00					X		326,669	0	6,205
(21) JAMES MRACEK III MD PHYSICIAN	40 00					X		396,134	0	3,913
(22) ROBERT HARRIS MD PHYSICIAN	40 00					X		334,713	0	6,205
(23) WILLIAM D JONES MD PHYSICIAN	40 00					X		261,491	0	0

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	3,720,651	0	247,455

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 44

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**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? *If "Yes," complete Schedule J for such person*	**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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
LIFESOUTH COMMUNITY BLOOD CENTERS INC PO BOX 830469 BIRMINGHAM, AL 35283	BLOOD PRODUCTS	2,087,721
JACKSON MED SOUTH PO BOX 689 JASPER, AL 35502	SLEEP LAB STUDIES	1,603,167
MONTGOMERY ANESTHESIA ASSOC PC PO BOX 230725 MONTGOMERY, AL 26123	ANESTHESIA SERVICES	1,596,000
PROASSURANCE INDEMNITY CO 13060 COLLECTION CENTER DR CHICAGO, IL 60693	MALPRACTICE PREMIUMS	1,334,577
BMA MONTGOMERY BAPTIST PO BOX 62760 NEW ORLEANS, LA 70162	DIALYSIS SERVICES	924,159

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 29

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	20,000			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	92,741			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		112,741			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE	621400	173,482,417	173,365,284	117,133	
	b	SURGERY CENTER REVENUE	621400	1,389,342	1,389,342		
	c	ANCILLIARY SERVICES	900099	1,006,887	1,006,887		
	d	IMAGING CENTER REVENUE	621400	727,169	727,169		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		176,605,815			
	3	Investment income (including dividends, interest and other similar amounts)		2,347,180			2,347,180
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	2,447,771				
	b	Less rental expenses	0				
	c	Rental income or (loss)	2,447,771				
	d	Net rental income or (loss)		2,447,771	2,447,771		
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses	21,228				
	c	Gain or (loss)	-21,228				
	d	Net gain or (loss)		-21,228			-21,228
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722210	1,350,625			1,350,625
	b	JOINT VENTURE	900099	126,061	286,042	-159,981	
	c	COFFEE SHOP	722210	107,943			107,943
	d	All other revenue		435,572			435,572
	e	**Total.** Add lines 11a–11d		2,020,201			
	12	**Total revenue.** See Instructions		183,512,480	179,222,495	-42,848	4,220,092

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)

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

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 United States See Part IV, line 21	93,068	93,068		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,236,647	559,162	1,677,485	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	56,511,080	45,270,705	11,059,708	180,667
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,356,740	2,685,392	637,781	33,567
9	Other employee benefits	6,155,252	4,924,201	1,169,498	61,553
10	Payroll taxes	3,995,841	3,196,673	759,210	39,958
11	Fees for services (non-employees)				
a	Management	74,880		74,880	
b	Legal				
c	Accounting	220,684		220,684	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	18,201,025	14,688,744	3,512,281	
12	Advertising and promotion	478,042		478,042	
13	Office expenses	6,881,232	3,366,201	3,514,786	245
14	Information technology	3,570,931		3,570,931	
15	Royalties . .				
16	Occupancy	3,478,291	3,478,291		
17	Travel	298,790	246,139	50,516	2,135
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	5,112,915	5,112,915		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	10,737,733	10,737,733		
23	Insurance	1,528,018	1,528,018		
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	UBI TAXES	28,406		28,406	
b	SUPPLIES	39,696,124	37,658,410	2,037,714	
c	BAD DEBT EXPENSE	16,992,065	16,992,065		
d	RECRUITMENT	146,132		146,132	
e					
f	All other expenses	141,962	133,134	8,828	
25	**Total functional expenses.** Add lines 1 through 24f	179,935,858	150,670,851	28,946,882	318,125
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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		7,465,172	1	4,906,481
	2	Savings and temporary cash investments		7,246,887	2	7,611,103
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		24,904,068	4	27,392,322
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		511,142	7	484,143
	8	Inventories for sale or use		3,995,157	8	4,438,844
	9	Prepaid expenses and deferred charges		2,223,512	9	2,545,480
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 250,615,366			
	b	Less accumulated depreciation	10b 143,633,143	110,104,529	10c	106,982,223
	11	Investments—publicly traded securities		64,637,011	11	68,170,797
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11		3,255,322	13	3,359,099
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		1,826,030	15	3,627,826
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		226,168,830	16	229,518,318
Liabilities	17	Accounts payable and accrued expenses		13,887,276	17	19,061,557
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		104,960,000	20	102,895,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		10,051,400	25	19,127,218
	26	**Total liabilities.** Add lines 17 through 25		128,898,676	26	141,083,775
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		97,270,154	27	88,434,543
	28	Temporarily restricted net assets			28	
	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		97,270,154	33	88,434,543
	34	Total liabilities and net assets/fund balances		226,168,830	34	229,518,318

Part XI Reconcilliation 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	183,512,480
2	Total expenses (must equal Part IX, column (A), line 25)	2	179,935,858
3	Revenue less expenses Subtract line 2 from line 1	3	3,576,622
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	97,270,154
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-12,412,233
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	88,434,543

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? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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?	3a		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 . .	3b		

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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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

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 **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?

	Yes	No
(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)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** 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 III **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

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	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

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

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	1,644,606	5,853,323		7,497,929
b Buildings		94,813,673	41,220,911	53,592,762
c Leasehold improvements		2,857,123	1,947,542	909,581
d Equipment		143,861,956	100,464,690	43,397,266
e Other		1,584,685		1,584,685
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				106,982,223

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ACCRUED INTEREST	1,698,568
PENSION LIABILITY	15,249,359
UNAMORTIZED BOND PREMIUM	2,179,291
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	19,127,218

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE ORGANIZATION FILES A CONSOLIDATED FINANCIAL STATEMENT WITH ITS SUBSIDIARIES THE FOLLOWING FOOTNOTE REFERENCES ENTITIES WHOSE ACTIVITY IS NOT REPORTED ON THE FORM 990 FOR JACKSON HOSPITAL AND CLINIC, INC "THE HOSPITAL IS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3), ACCORDINGLY, NO PROVISION FOR INCOME TAXES HAS BEEN MADE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS AS A LIMITED LIABILITY COMPANY, THE SURGERY CENTER AND IMAGING CENTER'S TAXABLE INCOME OR LOSS IS ALLOCATED TO THE MEMBERS AND IS INCLUDED IN THE CALCULATION OF THEIR TAXABLE INCOME ACCORDINGLY, THE ACCOMPANYING FINANCIAL STATEMENTS DO NOT REFLECT A PROVISION OR LIABILITY FOR INCOME TAXES THE COMPANY DETERMINED THAT IT DOES NOT HAVE ANY MATERIAL UNRECOGNIZED TAX BENEFITS OR OBLIGATIONS AS OF DECEMBER 31, 2011 AND 2010 YEARS ENDING ON OR AFTER DECEMBER 31, 2008, REMAIN SUBJECT TO EXAMINATION BY FEDERAL AND STATE TAX AUTHORITIES "

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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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☑ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
c	If the organization did 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 policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	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 eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)			10,882,661		10,882,661	6 680 %
b Medicaid (from Worksheet 3, column a)			16,865,604	21,607,966	-4,742,362	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			27,748,265	21,607,966	6,140,299	6 680 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			12,585		12,585	0 010 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			1,599,283		1,599,283	0 980 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j **Total** Other Benefits			1,611,868		1,611,868	0 990 %
k **Total.** Add lines 7d and 7j			29,360,133	21,607,966	7,752,167	7 670 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

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

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 Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	4,082,406		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	50,280,602
6	Enter Medicare allowable costs of care relating to payments on line 5	6	53,982,763
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-3,702,161
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	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 1 JACKSON IMAGING CENTER LLC	RADIOLOGY PROCEDURES	67 000 %		33 000 %
2 2 JACKSON SURGERY CENTER LLC	OUTPATIENT SURGERY	51 000 %		49 000 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	JACKSON HOSPITAL AND CLINIC 1725 PINE STREET MONTGOMERY,AL 361061117	X	X					X		DISPROPORTIONATE SHARE HOSPITAL

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

JACKSON HOSPITAL & CLINIC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100.000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☑ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	Yes	
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☑ Reporting to credit agency			
	b ☑ Lawsuits			
	c ☑ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☑ Notified patients of the financial assistance policy prior to discharge			
	c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☑ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

	Name and address	Type of Facility (Describe)
1	JACKSON CLINIC FAMILY MEDICINE CENTER 1111 OLIVE STREET MONTGOMERY,AL 36106	FAMILY MEDICINE/OUTPATIENT
2	JACKSON SURGERY CENTER 1725 PARK PLACE MONTGOMERY,AL 36106	OUTPATIENT SURGERY
3	JACKSON IMAGING CENTER 1825 PARK PLACE MONTGOMERY,AL 36106	MEDICAL IMAGING
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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 FOR INDIVIDUALS THAT DO NOT QUALIFY FOR FREE CARE UNDER OUR CHARITY CARE POLICY, JACKSON HOSPITAL DISCOUNTS SELF-PAY ACCOUNTS BY 30% AT THE TIME OF PATIENT DISCHARGE

Identifier	ReturnReference	Explanation
		PART I, LINE 7G JACKSON HOSPITAL HAS SEVERAL HEALTH PROGRAMS OPERATED AT A LOSS FOR THE BENEFIT OF THE COMMUNITY THESE DEPARTMENTS, INCLUDED ON PART I, LINE 7(G) ARE EMERGENCY ROOM - $1,490,357 OBSTETRICS - 108,926 TOTAL $ 1,599,283

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE AMOUNT LISTED ON FORM 990, PART IX, LINE 25 CONTAINS A BAD DEBT EXPENSE OF $ 16,992,065 THAT HAS BEEN REMOVED FOR PURPOSES OF CALCULATING PERCENT OF TOTAL EXPENSE ON PART I, LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		PART III, LINE 4 WORKSHEET 2 OF THE 2011 SCHEDULE H INSTRUCTIONS WAS USED TO COMPUTE A COST-TO-CHARGES RATIO USED TO CALCULATE BAD DEBT EXPENSE AT COST FOR PURPOSES OF PART III, LINE 2 RECEIVABLES FROM PATIENTS, INSURANCE COMPANIES, AND THIRD-PARTY CONTRACTUAL AGENCIES ARE RECORDED AT REGULAR PATIENT SERVICE CHARGE RATES A MAJORITY OF THE COMPANY'S PATIENTS ARE INSURED BY CERTAIN THIRD PARTY INSURERS (PRINCIPALLY BLUE CROSS, MEDICARE, AND MEDICAID) BASED ON CONTRACTUAL AGREEMENTS WHICH GENERALLY RESULT IN THE COMPANY COLLECTING LESS THAN THE ESTABLISHED CHARGE RATES FINAL DETERMINATION OF PAYMENTS UNDER THESE AGREEMENTS IS SUBJECT TO REVIEW BY APPROPRIATE AUTHORITIES ADEQUATE ALLOWANCES ARE PROVIDED FOR DOUBTFUL ACCOUNTS, CONTRACTUAL ADJUSTMENTS AND OTHER UNCERTAINTIES CREDIT LOSSES HAVE HISTORICALLY BEEN WITHIN MANAGEMENT'S EXPECTATIONS DOUBTFUL ACCOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE AFTER ADEQUATE COLLECTION EFFORT IS EXHAUSTED AND RECORDED AS RECOVERIES OF BAD DEBTS IF SUBSEQUENTLY COLLECTED

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ORGANIZATION USED ITS MEDICARE COST REPORT TO CALCULATE ALLOWABLE COSTS OF CARE RELATED TO MEDICARE FOR PURPOSES OF PART III, LINE 6

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE ORGANIZATION QUALIFIES PATIENTS FOR ITS CHARITY CARE POLICY AT TIME OF DISCHARGE DISCOUNTS ON SELF-PAY PATIENTS ARE APPLIED USING A NON-FINANCIAL MEASURE, SO ACCOUNTS IN BAD DEBTS ARE NOT LIKELY ELIGIBILE FOR FURTHER FINANCIAL ASSISTANCE AFTER HAVING THEIR FINAL BILLS ISSUED THE HOSPITAL PRIMARILY USES A THIRD-PARTY TO HANDLE BAD DEBT COLLECTIONS, AND ROUTINELY REEVALUATES ITS BAD DEBT ACCOUNTS TO DETERMINE PATIENTS THAT QUALIFY UNDER THE ORGANIZATION'S CHARITY CARE POLICY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 JACKSON HOSPITAL IS A COMMUNITY NOT-FOR-PROFIT HOSPITAL SERVING MONTGOMERY AND THE ALABAMA RIVER REGION LICENSED FOR 344 BEDS OUR COMPREHENSIVE HEALTHCARE SERVICES INCLUDE CARDIAC, CANCER, NEUROSCIENCES, ORTHOPEDICS AND WOMEN'S AND CHILDREN'S CARE, ALONG WITH 24 HOUR EMERGENCY SERVIES IT RANKS AMONG THE LARGEST HOSPITALS IN ALABAMA AND IS WIDELY RECOGNIZED FOR PROVIDING EXCELLENCE IN CARE EVEN WITH OUR LEADING TECHNOLOGY AND FACILITIES, WE REMAIN TRUE TO OUR MISSION OF PROVIDING SUPERIOR PERSONAL HEALTHCARE IN A SAFE, COMPASSIONATE ENVIRONMENT WHILE FULFILLING OUR COMMITMENT AS A CHARITABLE ORGANIZATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE HOSPITAL PROVIDES SIGNAGE IN AND AROUND THE EMERGENCY ROOM STATING THE CONTACT INFORMATION FOR FINANCIAL ASSISTANCE REPRESENTATIVES "YOU MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE TERMS AND CONDITIONS THE HOSPITAL OFFERS TO QUALIFIED PATIENTS FOR ADDITIONAL INFORMATION, CONTACT THE HOSPITAL FINANCIAL ASSISTANCE REPRESENTATIVE AT 334-293-6970 "IN ADDITION, A REPRESENTATIVE VISITS EACH SELF-PAY INPATIENT, AND AN APPLICATION FORM FOR ASSISTANCE IS COMPLETED AT THAT TIME EACH PRIVATE PAY PATIENT IS INTERVIEWED TO DETERMINE QUALIFICATION BASED ON NATIONAL POVERTY GUIDELINES FOR FINANCIAL ASSISTANCE BASED ON THIS DETERMINATION, A DECISION IS MADE AS TO ELIGIBILTY FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 JACKSON HOSPITAL'S PRIMARY SERVICE AREA IS COMPRISED OF MONTGOMERY, ELMORE, AND AUTAUGA COUNTIES, LOCATED IN THE EASTERN CENTRAL PART OF THE STATE OF ALABAMA THE SECONDARY SERVICE AREA IS COMPRISED OF BULLOCK, BUTLER, CRENSHAW, DALLAS, LOWNDES, MACON, AND PIKE COUNTRIES JACKSON HOSPITAL IS ADJACENT TO I-85 AND NEAR THE INTERSECTION OF I-65 AND I-85, PROVIDING FOR EASY ACCESS FROM THE PRIMARY AND SECONDARY SERVICE AREAS MAJOR PRIMARY SERVICE AREA EMPLOYERS ARE MAXWELL AIR FORCE BASE, STATE OF ALABAMA, HYUNDAI MOTOR MANUFACTURING ALABAMA, ALFA INSURANCE COMPANIES, ALABAMA STATE UNIVERSITY, AUBURN UNIVERSITY MONTGOMERY AND CITY OF MONTGOMERY

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 A MAJORITY OF THE ORGANIZATION'S GOVERNING BODY IS COMPRISED OF PERSONS WHO RESIDE IN THE PRIMARY SERVICE AREA AND WHO ARE NEITHER EMPLOYEES, INDEPENDENT CONTRACTORS, NOR A FAMILY MEMBER OF AN EMPLOYEE OF THE ORGANIZATION THE ORGANIZATION EXTENDS MEDICAL STAFF PRIVILEDGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY TO MOST OF ITS DEPARTMENTS IN ADDITION, SURPLUS FUNDS ARE REINVESTED IN THE HOSPITAL THROUGH THE PURCHASE OF TECHNOLOGY, PROPERTY, AND PLANT EQUIPMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE HOSPITAL IS NOT PART OF AN AFFILIATED HEALTH CARE SYSTEM

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

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. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(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) AUBURN UNIVERSITY FOUNDATION317 SOUTH COLLEGE STREET AUBURN,AL 368495170	63-6022422	501(C)(3)	5,000				OPERATION SUPPORT
(2) FAULKNER UNIVERSITY 5345 ATLANTA HWY MONTGOMERY,AL 36109	63-0329409	501(C)(3)	5,000				OPERATION SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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

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

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE PRESIDENT/CEO PROVIDES OVERSIGHT TO THE GRANTS PROVIDED BY THE ORGANIZATION AND REPORTS USAGE TO THE BOARD OF DIRECTORS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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 orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply			
	☑ 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?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
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 accured 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 Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) GEORGE M HANDEY MD	(i)	152,250	153	11,711	21,931	4,300	190,345	0
	(ii)	0	0	0	0	0	0	0
(2) DONALD G HENDERSON	(i)	441,635	122,130	9,600	38,160	3,913	615,438	0
	(ii)	0	0	0	0	0	0	0
(3) PETER VERRECCHIA	(i)	227,716	46,125	0	22,000	2,738	298,579	0
	(ii)	0	0	0	0	0	0	0
(4) VICTORIA JONES	(i)	405,304	0	0	38,500	0	443,804	0
	(ii)	0	0	0	0	0	0	0
(5) RICHARD CALDWELL	(i)	219,653	44,075	0	38,500	1,316	303,544	0
	(ii)	0	0	0	0	0	0	0
(6) LARRY SHERBETT	(i)	160,975	0	0	15,500	2,861	179,336	0
	(ii)	0	0	0	0	0	0	0
(7) JANET MCQUEEN	(i)	136,249	27,765	0	22,000	1,507	187,521	0
	(ii)	0	0	0	0	0	0	0
(8) SHELLY WALLACE HENRIKSON	(i)	151,913	21,753	0	6,480	3,913	184,059	0
	(ii)	0	0	0	0	0	0	0
(9) ERIC S CUNNINGHAM	(i)	180,618	42,019	0	3,600	3,913	230,150	0
	(ii)	0	0	0	0	0	0	0
(10) MARGARET VEREB MD	(i)	256,783	69,886	0	0	6,205	332,874	0
	(ii)	0	0	0	0	0	0	0
(11) JAMES MRACEK III MD	(i)	222,766	173,368	0	0	3,913	400,047	0
	(ii)	0	0	0	0	0	0	0
(12) ROBERT HARRIS MD	(i)	264,826	69,887	0	0	6,205	340,918	0
	(ii)	0	0	0	0	0	0	0
(13) WILLIAM D JONES MD	(i)	192,299	69,192	0	0	0	261,491	0
	(ii)	0	0	0	0	0	0	0

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 1A	THE HOSPITAL PROVIDED INITIAL DUES AND MONTHLY DUES FOR A COUNTRY CLUB MEMBERSHIP FOR THE PRESIDENT/CEO

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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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

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	THE MEDICAL CLINIC BOARD OF THE CITY OF MONTGOMERY	63-0881546	013058CG9	12-05-2006	113,221,823	REFUNDING, CAPITAL ACQUISITION		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	7,977,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	113,221,823			
4	Gross proceeds in reserve funds	7,534,677			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	1,359,900			
7	Issuance costs from proceeds	1,260,470			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	6,203,213			
11	Other spent proceeds	99,745,808			
12	Other unspent proceeds				
13	Year of substantial completion	2007			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part 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						
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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 %							
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 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		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						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation

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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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

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	(c) Corrected? 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? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) PRIMARY CARE INTERNISTS	PRACTICE OWNED IN PART BY BOARD MEMBER JAMES MCLAUGHLIN	93,111	PAYMENT TO INTERESTED PERSON FOR MEDICAL SERVICES RENDERED (EKG READINGS)		No
(2) PRIMARY CARE INTERNISTS	PRACTICE OWNED IN PART BY BOARD MEMBER JAMES MCLAUGHLIN	77,880	OFFICE SPACE RENTAL PAID BY INTERESTED PERSON		No
(3) KYSER OFFICE WORKS	COMPANY OWNED BY BOARD MEMBER KYLE KYSER	81,408	PAYMENT TO INTERESTED PERSON FOR OFFICE FURNITURE		No
(4) RANDALL COOK MD	PRACTICE OWNED BY BOARD MEMBER RANDALL COOK	28,500	PAYMENT TO INTERESTED PERSON FOR MEDICAL DIRECTOR WOUND CARE		No
(5) RANDALL COOK MD	PRACTICE OWNED BY BOARD MEMBER RANDALL COOK	21,217	OFFICE SPACE RENTAL PAID BY INTERESTED PARTY		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

Identifier	Return Reference	Explanation
PROGRAM SERVICE STATEMENT	FORM 990, PART III, LINE 4A	WE BELIEVE THAT JACKSON HOSPITAL PLAYS A VITAL ROLE IN HELPING TO MAINTAIN THE HEALTH OF OUR COMMUNITY THROUGH THE PROVISION OF FREE HEALTHCARE SERVICES, RESEARCH AND EDUCATIONAL PROGRAMS, AND COMMUNITY INVOLVEMENT AND FINANCIAL SUPPORT SOME OF OUR COMMUNITY HEALTH IMPROVEMENT SERVICES AND RESEARCH PROJECTS INCLUDE COLORECTAL CANCER HEALTH SCREENING - TAKE-HOME COLORECTAL CANCER EXAM KITS AS WELL AS EDUCATIONAL MATERIALS WERE DISTRIBUTED EVERY TUESDAY THROUGHOUT THE MONTH OF MARCH IN HONOR OF COLORECTAL CANCER AWARENESS MONTH COMMUNITY HEALTH FAIRS - JACKSON HOSPITAL PARTICIPATED IN VARIOUS COMMUNITY HEALTH FAIRS THROUGHOUT THE YEAR THE FAIRS OFFERED FLU VACCINES, BLOOD PRESSURE CHECKS, GLUCOSE CHECKS, CHOLESTEROL CHECKS, AND GENERAL HEALTH EDUCATION SPORTS MEDICINE PHYSICALS - AS A RESULT OF THIS GREAT EFFORT BY JACKSON HOSPITAL EMPLOYEES, APPROXIMATELY 1,400 MALE AND FEMALE ATHLETES HAD THE OPPORTUNITY TO PARTICIPATE IN INTER-SCHOLASTIC SPORTS DURING THE SCHOOL YEAR THIS FREE COMMUNITY SERVICE EVENT HELPED THOUSANDS OF PARENTS, TWENTY-FIVE SCHOOLS, AND HUNDREDS OF COACHES NONE OF THIS COULD HAVE BEEN DONE WITHOUT THE VOLUNTEER EFFORTS OF OVER 100 INDIVIDUALS WHO GAVE OF THEIR TIME TO SHOW CENTRAL ALABAMA HOW JACKSON HOSPITAL LIVES UP TO ITS REPUTATION AS A CARING HOSPITAL THAT PROVIDES SUPERIOR HEALTHCARE IN A SAFE, COMPASSIONATE ENVIRONMENT RESEARCH PROJECTS - MENTOR SILICONE GEL-FILLED BREAST IMPLANT ADJUNCT CLINICAL STUDY - MCGHAN/INAMED MEDICAL CORPORATION SILICONE-FILLED BREAST IMPLANT ADJUNCT CLINICAL STUDY - A POST-APPROVAL INVESTIGATION OF THE PRESTIGE CERVICAL DISC DEVICE AT A SINGLE LEVEL FOR SYMPTOMATIC CERVICAL DISC DISEASE - MEDTRONIC SOFAMOR DANEK A PROSPECTIVE, MULTICENTER, CONTROLLED CLINICAL TRIAL OF AN ARTIFICIAL CERVICAL DISC LOW PROFILE AT A SINGLE LEVEL FOR SYMPTOMATIC CERVICAL DISC DISEASE - BANKING PHASE (PHASE 2) ESTABLISHMENT OF A COLLECTION AND STORAGE CENTER FOR CLINICAL RESEARCH ON TRANSPLANTATION OF UMBILICAL CORD STEM AND PROGENITOR CELLS - A RANDOMIZED, DOUBLE-BLIND, MULTICENTER STUDY OF THE SAFETY AND EFFICACY OF RX-3341 COMPARED WITH CEFAZOLIN FOR THE PREVENTION OF SURGICAL SITE INFECTIONS FOLLOWING CORONARY ARTERY BYPASS GRAFT SURGERY - A PHASE II, MULTICENTER, RANDOMIZED, OPEN LABEL, COMPARATIVE STUDY TO EVALUATE THE SAFETY AND EFFICACY OF RX-1741 VERSUS LINEZOLID IN THE OUTPATIENT TREATMENT OF ADULTS WITH UNCOMPLICATED SKIN AND SKIN STRUCTURE INFECTION - PROSPECTIVE, RANDOMIZED, DOUBLE-BLIND, PLACEBO CONTROLLED TRIAL TO EVALUATE THE EFFICACY AND SAFETY OF FAROPENEM MEDOXOMIL 600MG P O BID FOR 7 DAYS IN THE TREATMENT OF ACUTE BACTERIAL SINUSITIS CASH AND IN-KIND DONATIONS - JACKSON HOSPITAL BELIEVES IN GIVING BACK TO THE COMMUNITY IN THE PAST YEAR, THE HOSPITAL DONATED FUNDS AND SERVICES TO THE FOLLOWING ORGANIZATIONS - AFA CHAPTER 102 - AMERICAN CANCER SOCIETY - AMERICAN DIABETES ASSOCIATION - ARTHRITIS FOUNDATION - AUBURN UNIVERSITY SCHOOL OF NURSING - ELMORE COUNTY ECONOMIC DEVELOPMENT AUTHORITY - HOSPICE OF MONTGOMERY - MADD - MONTGOMERY AUTAUGA ELMORE MEDICAL ALLIANCE - MARCH OF DIMES - MONTGOMERY AREA CHAMBER OF COMMERCE - MONTGOMERY DRAGON BOAT RACE & FESTIVAL - NIGERIAN AMERICAN COMMUNITY SOUTH CENTRAL ALABAMA - PARTNERS IN EDUCATION WOMEN EMPOWERMENT PROGRAM DURING 2010, THE HOSPITAL RECRUITED FIVE NEW SPECIALISTS, AN ENDOCRINOLOGIST, UROLOGIST, VASCULAR SURGEON, FAMILY PRACTICE PHYSICIAN, AND NEUROLOGIST TO MEET THE NEEDS OF THE COMMUNITY THESE SPECIALTIES WERE IDENTIFIED USING THE STATE HEALTH PLAN, ALABAMA DEPARTMENT OF PUBLIC HEALTH AND MEMBERSHIP OF JACKSON HOSPITALS MEDICAL STAFF THE ALABAMA DEPARTMENT OF PUBLIC HEALTH HAD TO APPROVE THE NEED FOR THE ENDOCRINOLOGIST AND VASCULAR SURGEON DUE TO THEIR J-1 VISA STATUS JACKSON HOSPITAL WAS ABLE TO PROVE THE MONTGOMERY AREA WAS UNDERSERVED IN THOSE AREAS THE ENDOCRINOLOGIST, VASCULAR SURGEON AND UROLOGIST BEGAN PRACTICE IN AUGUST 2011 JACKSON HOSPITAL CONTINUES TO RECRUITMENT NEUROLOGIST AND FAMILY PRACTICE PHYSICIANS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE ORGANIZATION HAS FOUR CLASSES OF MEMBERS ACTIVE MEMBERS, SENIOR ACTIVE MEMBERS, ASSOCIATE MEMBERS, AND COMMUNITY MEMBERS ACTIVE MEMBERS - TO QUALIFY AS AN ACTIVE MEMBER, AN APPLICANT MUST BE ACTIVE IN THE PRACTICE OF MEDICINE, BE A MEMBER OF THE ACTIVE MEDICAL STAFF OF THE HOSPITAL, HAVE SERVED AS AN ASSOCIATE MEMBER FOR NOT LESS THAN THREE YEARS, HAVE DEMONSTRATED INTEREST IN AND ADHERENCE TO THE OBJECTIVES OF THE ORGANIZATION, AND BE IN COMPLIANCE WITH ALL OTHER PROVISIONS FROM TIME TO TIME ADOPTED BY THE BOARD RELATING TO MEMBERSHIP SENIOR ACTIVE MEMBERS - ACTIVE MEMBERS THAT HAVE RETIRED FROM ACTIVE PRACTICE BUT EXPRESS A DESIRE TO CONTINUE TO PARTICIPATE IN THE OBJECTIVES OF THE ORGANIZATION ASSOCIATE MEMBERS - TO QUALIFY AS AN ASSOCIATE MEMBER, AN APPLICANT MUST BE ACTIVE IN THE PRACTICE OF MEDICINE, HAVE SERVED AS A MEMBER OF THE MEDICAL STAFF OF THE HOSPITAL FOR NOT LESS THAN TWO YEARS, HAVE DEMONSTRATED INTEREST IN AND ADHERENCE TO THE OBJECTIVES OF THE ORGANIZATION, AND BE IN COMPLIANCE WITH ALL OTHER PROVISIONS FROM TIME TO TIME ADOPTED BY THE BOARD RELATING TO MEMBERSHIP COMMUNITY MEMBERS - A COMMUNITY MEMBER MUST BE A CITIZEN OF THE UNITED STATES OF NOT LESS THAN 21 YEARS OF AGE AND A PERMANENT RESIDENT OF MONTGOMERY COUNTY, ALABAMA, OR ANY OTHER COUNTY WITHIN THE STATE WHICH IS WITHIN THE SERVICE AREA OF THE HOSPITAL AND SHALL POSSESS SUCH ADDITIONAL QUALIFICATIONS AS SHALL BE SET FORTH FROM TIME TO TIME BY THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	ACTIVE MEMBERS HAVE THE EXCLUSIVE RIGHT TO VOTE ON THE APPROVAL OF THE ADMISSION OF ANY PERSON AS AN ACTIVE OR ASSOCIATE MEMBER OF THE NON-PROFIT CORPORATION COMMUNITY MEMBERS ARE PERMITTED TO PARTICIPATE IN THE ELECTION OF THE MEMBERS OF THE BOARD OF TRUSTEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	ALL VOTING RIGHTS OF MEMBERS ACCRUING TO MEMBERS GENERALLY, UNDER THE ALABAMA NONPROFIT CORPORATION ACT OR UNDER THE RESTATED ARTICLES OF INCORPORATION, ARE RESERVED TO THE ACTIVE MEMBERS, EXCEPT FOR THE PARTICIPATION OF COMMUNITY MEMBERS IN THE ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES AND EXCEPT IN THOSE INSTANCES WHERE THE BOARD OF TRUSTEES, IN ITS DISCRETION, DESIRES TO REFER A PARTICULAR MATTER TO THE MEMBERSHIP AS A WHOLE OR TO ANY RESTRICTED CLASS OR CLASSES FOR CONSIDERATION AND ADVICE AS PROVIDED HEREIN, PROVIDED, HOWEVER, THAT NO CLASS OF MEMBERS OTHER THAN ACTIVE MEMBERS SHALL, BY SUCH PROCEDURE, BE GIVEN THE RIGHT TO VOTE ON ANY MATTER REQUIRING THE VOTE OR APPROVAL OF MEMBERS GENERALLY UNDER THE ALABAMA NONPROFIT CORPORATION ACT OR THE VOTE OF ACTIVE MEMBERS UNDER THE RESTATED ARTICLES OF INCORPORATION THE MATTERS UPON WHICH THE ACTIVE MEMBERS SHALL HAVE THE EXCLUSIVE RIGHT TO VOTE ARE THOSE MATTERS GENERALLY RESERVED TO MEMBERS IN THE ALABAMA NONPROFIT CORPORATION ACT AS IT MAY EXIST FROM TIME TO TIME, INCLUDING, WITHOUT LIMITATION, THE FOLLOWING - THE LIQUIDATION, DISSOLUTION, OR REORGANIZATION OF THE CORPORATION, - THE SALE, EXCHANGE, OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE PROPERTIES OF THE CORPORATION, BUT NOT THE POWER TO MORTGAGE OR CONVEY SUCH PROPERTY SOLELY FOR THE PURPOSE OF SECURING ANY INDEBTEDNESS OR OTHER OBLIGATIONS OF THE CORPORATION, WHICH THE BOARD OF TRUSTEES, ACTING ALONE, SHALL HAVE AND EXERCISE, - THE APPROVAL OF THE AMENDMENT OF THE RESTATED ARTICLES OF INCORPORATION, - THE APPROVAL OF THE ADMISSION OF ANY PERSON AS AN ACTIVE OR ASSOCIATE MEMBER OF THE CORPORATION SUCH MATTERS SHALL BE SUBMITTED FOR VOTE OF THE ACTIVE MEMBERS UPON RECOMMENDATION OF THE BOARD OF TRUSTEES NO ACTION UPON ANY SUCH MATTERS SHALL BE TAKEN BY THE ACTIVE MEMBERS (OR ANY OTHER MEMBER ENTITLED TO VOTE) WITHOUT NOTICE OF SUCH PURPOSE BEING GIVEN PRIOR TO THE MEETING, OTHER THAN THE ELECTION OF THE BOARD OF TRUSTEES WHICH SHALL OCCUR AT EACH ANNUAL MEETING WITHOUT REQUIREMENT OF FURTHER NOTICE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 WAS PREPARED BY AN INDEPENDENT ACCOUNTANT WITH ASSISTANCE AND OVERSIGHT BY HOSPITAL MANAGEMENT THE RETURN IS PROVIDED TO THE BOARD FOR REVIEW AND IS AN AGENDA ITEM AT A REGULARLY SCHEDULED BOARD MEETING AND OPEN FOR DISCUSSION PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION UPDATES ITS CONFLICT OF INTEREST POLICY ANNUALLY FOR KEY HOSPITAL EMPLOYEES AND BOARD MEMBERS TO PROVIDE INFORMATION ON ANY POTENTIAL CONFLICTS OF INTEREST THE UPDATES OF THE POLICY FORMS ARE REVIEWED BY HOSPITAL ADMINISTRATION IN THE EVENT OF A POTENTIAL CONFLICT OF INTEREST, A BOARD MEMBER WILL ABSTAIN FROM VOTING ON MATTERS PERTAINING TO THE CONFLICT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	AN OUTSIDE INDEPENDENT CONSULTING FIRM REVIEWS THE COMPENSATION OF OFFICERS EVERY TWO YEARS TO ENSURE COMPENSATION IS COMPARABLE TO THE MARKET THE HOSPITAL EXECUTIVE COMMITTEE REVIEWS THE RECOMMENDATIONS OF THE OUTSIDE CONSULTING COMPANY AND APPROVES THE COMPENSATION AND ANY CHANGES TO THE COMPENSATION OF OFFICERS THE EXECUTIVE COMMITEE IS COMPOSED OF MEMBERS OF THE BOARD OF TRUSTEES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	PHOTOCOPIES OF THE FORM 990 ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE. PLEASE SEE PART VI, LINE 20. IN ADDITION, RECENT FILINGS OF THE FORM 990 ARE AVAILABLE ONLINE AT WWW.GUIDESTAR.ORG

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S FINANCIAL STATEMENTS, GOVERNING DOCUMENTS, AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST AT THE ORGANIZATION'S ADMINISTRATIVE OFFICE. PLEASE SEE PART VI, LINE 20

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -323,291 DONATED SERVICES AND USE OF FACILITIES 5,419 MINIMUM PENSION LIABILITY ADJUSTMENT -12,356,228 BOOK TO TAX DIFFERENCE ON JOINT VENTURES 261,867 TOTAL TO FORM 990, PART XI, LINE 5 -12,412,233

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493319002232

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

2011

Open to Public Inspection

Name of the organization
JACKSON HOSPITAL AND CLINIC INC

Employer identification number
63-6001820

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
(1) OAK PARK HIGHLAND LLC 1725 PINE STREET MONTGOMERY, AL 36106 26-0752650	REAL ESTATE	AL	1,001	203,511	N/A

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

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) Disproportionate allocations? Yes	(h) Disproportionate allocations? No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) General or managing partner? No	(k) Percentage ownership
(1) JACKSON IMAGING CENTER LLC 1825 PARK PLACE MONTGOMERY, AL 36106 26-0339264	MEDICAL IMAGING	AL	N/A	RELATED	718,301	4,983,873		No			No	67 000 %
(2) JACKSON SURGERY CENTER LLC 1725 PARK PLACE MONTGOMERY, AL 36106 20-4173305	OUTPATIENT SURGERY	AL	N/A	RELATED	1,135,801	7,295,473		No			No	51 750 %

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

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

		Yes	No
1 During the tax year, did the orgranization 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	1a	Yes	
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m	Yes	
n Sharing of paid employees with related organization(s)	1n	Yes	
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q		No
r Other transfer of cash or property from related organization(s)	1r		No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) JACKSON IMAGING CENTER LLC	R	469,000	CASH
(2) JACKSON SURGERY CENTER LLC	R	1,381,725	CASH
(3) JACKSON IMAGING CENTER LLC	A	47,102	CASH
(4) JACKSON SURGERY CENTER LLC	A	90,424	CASH
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

JACKSON HOSPITAL & CLINIC, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

(with Independent Auditors' Report thereon)

DIXON HUGHES GOODMAN LLP

Certified Public Accountants and Consultants

JACKSON HOSPITAL & CLINIC, INC. AND SUBSIDIARIES
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DECEMBER 31, 2011 AND 2010

DIXON HUGHES GOODMAN LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Jackson Hospital & Clinic, Inc and Subsidiaries
Montgomery, AL

We have audited the accompanying consolidated balance sheets of Jackson Hospital & Clinic, Inc and Subsidiaries (the "Company" or "Jackson") as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended These consolidated financial statements are the responsibility of the Company's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jackson Hospital & Clinic, Inc and Subsidiaries at December 31, 2011 and 2010, and the results of their consolidated operations and their consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America

As discussed in Note K to the consolidated financial statements, the Company adopted new accounting guidance for the presentation of insurance claims and insurance recoveries

Dixon Hughes Goodman LLP

April 11, 2012

JACKSON HOSPITAL & CLINIC, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 7,007,484	$ 9,880,044
Restricted cash	28,102	105,320
Patient accounts receivable, net of allowance for doubtful accounts of $6,875,281 and $5,222,791 as of December 31, 2011 and 2010	23,517,151	24,294,397
Estimated third-party payor settlements	2,578,330	734,944
Other receivables	4,522,663	5,993,201
Inventories of drugs and supplies	4,867,751	4,432,957
Prepaid expenses and other current assets	2,545,479	2,227,437
Assets whose use is limited under bond indenture	3,579,246	3,530,272
Current portion of note receivable	50,000	50,000
TOTAL CURRENT ASSETS	48,696,206	51,248,572
NONCURRENT CASH AND INVESTMENTS		
Assets whose use is limited		
By Board for capital improvements	60,832,435	57,558,128
Under bond indenture, net of current portion	7,534,677	7,170,461
	68,367,112	64,728,589
PROPERTY AND EQUIPMENT, net	121,530,282	125,525,309
OTHER ASSETS		
Note receivable	434,143	461,142
Land and improvements held for investment	1,644,606	1,644,606
Investment in joint venture	584,590	796,665
Interest in Jackson Hospital Foundation	3,835,542	3,625,037
Bond issuance costs, net	1,069,354	1,119,013
	7,568,235	7,646,463
TOTAL ASSETS	$ 246,161,835	$ 249,148,933

The accompanying notes are an integral part of the consolidated financial statements.

	2011	2010
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 4,645,004	$ 4,097,536
Accrued salaries and benefits	6,362,220	5,873,568
Current portion of long-term debt	3,401,605	17,612,075
Accrued interest	1,698,568	1,732,985
Current portion of accrued loss on interest rate swap	-	267,426
Deferred revenue	3,292,958	3,202,328
TOTAL CURRENT LIABILITIES	19,400,355	32,785,918
PENSION LIABILITY	15,249,359	6,048,634
OTHER ACCRUED LIABILITIES	4,881,759	6,040,615
ACCRUED LOSS ON INTEREST RATE SWAP	260,955	-
LONG-TERM DEBT, NET	116,117,944	105,164,781
TOTAL LIABILITIES	155,910,372	150,039,948
NET ASSETS	88,421,204	97,278,836
NON-CONTROLLING INTERESTS IN NET ASSETS	1,830,259	1,830,149
TOTAL NET ASSETS	90,251,463	99,108,985
TOTAL LIABILITIES AND NET ASSETS	$ 246,161,835	$ 249,148,933

JACKSON HOSPITAL & CLINIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING REVENUES		
Net patient service revenues	$ 188,352,153	$ 182,560,947
Other operating revenues	6,052,203	4,535,439
	194,404,356	187,096,386
OPERATING EXPENSES		
Service departments	54,363,795	50,428,958
Revenue departments	101,165,518	96,560,111
Depreciation and amortization	12,279,665	12,417,864
Interest expense	5,831,899	5,907,039
Provision for bad debts	17,384,566	13,983,263
	191,025,443	179,297,235
OPERATING INCOME	3,378,913	7,799,151
NONOPERATING REVENUES (EXPENSES)		
Investment income, net	2,019,131	2,206,262
Loss on interest rate swap	(260,955)	-
Other non-operating revenues	16,820	39,628
	1,774,996	2,245,890
EXCESS OF REVENUES OVER EXPENSES	5,153,909	10,045,041
REVENUES OVER EXPENSES ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,510,758	1,285,995
EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO JACKSON	$ 3,643,151	$ 8,759,046

JACKSON HOSPITAL & CLINIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	Total	Jackson	Non-controlling Interests
Balance - January 1, 2010	$ 87,534,092	$ 86,222,343	$ 1,311,749
Transfer of portion of ownership of Jackson Surgery Center, LLC to noncontrolling interest	300,050	-	300,050
Distributions paid to non-controlling interests	(1,089,000)	-	(1,089,000)
Excess of revenues over expenses	10,045,041	8,759,046	1,285,995
Net unrealized gain on investments	3,111,470	3,111,470	-
Unrealized gain on interest rate swap	61,189	39,834	21,355
Minimum pension liability adjustment	(853,857)	(853,857)	-
	11,574,893	11,056,493	518,400
Balance - December 31, 2010	99,108,985	97,278,836	1,830,149
Distributions paid to non-controlling interests	(1,549,275)	-	(1,549,275)
Excess of revenues over expenses	5,153,909	3,643,151	1,510,758
Unrealized gain on settlement of interest rate swap	217,363	178,736	38,627
Net unrealized loss on investments	(323,291)	(323,291)	-
Minimum pension liability adjustment	(12,356,228)	(12,356,228)	-
	(8,857,522)	(8,857,632)	110
Balance - December 31, 2011	$ 90,251,463	$ 88,421,204	$ 1,830,259

JACKSON HOSPITAL & CLINIC, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (8,857,522)	$ 11,574,893
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	12,279,665	12,417,864
Loss on sale of property and equipment	21,228	-
Provision for bad debts	17,384,566	13,983,263
Income from investment in joint venture	(1,012,925)	(381,875)
(Increase) decrease in interest in Jackson Hospital Foundation	(210,505)	17,503
Net unrealized loss (gain) on investments	323,291	(3,111,470)
Minimum pension liability adjustment	12,356,228	853,857
Unrealized gain on interest rate swap	(6,471)	(61,189)
Change in patient accounts receivable, net	(16,607,320)	(9,709,067)
Change in estimated third-party payor settlements	(1,843,386)	(357,905)
Change in other receivables	1,470,538	(4,702,788)
Change in inventories of drugs and supplies	(434,794)	(198,897)
Change in prepaid expenses and other current assets	(318,042)	(252,271)
Change in note receivable	50,000	50,000
Change in accounts payable and accrued expenses	547,468	(1,003,674)
Change in accrued salaries and benefits	488,652	432,213
Change in accrued interest	(34,417)	144,938
Change in deferred revenue	90,630	3,202,328
Change in other accrued liabilities	(1,158,856)	4,997,989
Change in pension liability	(3,155,503)	(3,836,232)
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,372,525	24,059,480
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in assets whose use is limited under bond indenture agreement, net	(413,190)	518,340
Increase in assets whose use is limited by Board for capital improvements	(3,597,598)	(13,459,255)
Proceeds from sale of property and equipment	13,932	-
Purchases of property and equipment	(8,368,498)	(4,651,538)
Distribution received from joint venture	1,225,000	300,000
NET CASH USED BY INVESTING ACTIVITIES	(11,140,354)	(17,292,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for bond issuance cost	(15,132)	-
Borrowings on long-term debt	14,747,693	-
Payments on long-term debt	(17,914,510)	(3,122,029)
NET CASH USED BY FINANCING ACTIVITIES	(3,181,949)	(3,122,029)
NET CHANGE IN CASH AND CASH EQUIVALENTS (Forward)	(2,949,778)	3,644,998

	2011	2010
NET CHANGE IN CASH AND CASH EQUIVALENTS (Forwarded)	$ (2,949,778)	$ 3,644,998
CASH AND CASH EQUIVALENTS, BEGINNING	9,985,364	6,340,366
CASH AND CASH EQUIVALENTS, ENDING	$ 7,035,586	$ 9,985,364
Reconciliation of cash and cash equivalents to the consolidated balance sheets		
Cash and cash equivalents	$ 7,007,484	$ 9,880,044
Restricted cash	28,102	105,320
TOTAL CASH AND CASH EQUIVALENTS	$ 7,035,586	$ 9,985,364

SEE SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION (NOTE G)

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

Organization

Jackson Hospital & Clinic, Inc (the "Hospital") is a 344-bed health care facility established in 1946 The Hospital's service area includes 16 counties across central Alabama The Hospital invested in two joint ventures during fiscal 2008 (Jackson Imaging Center, LLC and Jackson Surgery Center, LLC) (Note L) which were constructed on the Hospital's campus The Hospital maintains controlling interest in these entities (67 and 51 percent at December 31, 2011 and 2010, respectively) (Note L) and therefore, these entities are reported on a consolidated basis in the accompanying consolidated financial statements The Hospital created a new entity during 2008 - Oak Park Highland, LLC ("Oak Park"), which was formed to acquire, own, manage, and sell property for the Hospital Oak Park is operated and managed under the direction of the Hospital's management The Hospital is the sole owner of Oak Park and, as such, the balances of Oak Park are reported in the accompanying consolidated financial statements

The Hospital receives support from the Jackson Hospital Foundation (the "Foundation") The Foundation was established in 1976 to solicit funds for the Hospital and is governed by an independent board of directors separate from the Hospital See Note J for further information on the Hospital's interest in the Foundation

Principals of Consolidation

The accompanying consolidated financial statements include the accounts of Jackson Hospital & Clinic, Inc , Jackson Imaging Center, LLC (the "Imaging Center"), Jackson Surgery Center, LLC (the "Surgery Center"), and Oak Park Highland, LLC ("Oak Park") (collectively, the "Company") All significant intercompany accounts and transactions have been eliminated upon consolidation

The Hospital adopted ASC 810, Consolidation, on January 1, 2010 Accordingly, for consolidated subsidiaries that are less than wholly-owned, the third-party holdings of equity interests are referred to as non-controlling interests The portion of revenues over expenses attributable to non-controlling interests for such subsidiaries is presented as revenues over expenses attributable to non-controlling interests on the consolidated statements of operations, and the portion of the net assets of such subsidiaries is presented as non-controlling interests on the consolidated balance sheets and consolidated statements of changes in net assets

Use of Estimates

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with original maturities of three months or less The Company has deposits in a financial institution that may exceed federal depository insurance limits or not be insured The Company has not experienced any losses in such accounts In addition, the financial institution sweeps excess cash funds into an interest bearing Eurodollar account (maintained on behalf of the Company at the financial institution's Cayman Island branch) under the terms of a Eurodollar Sweep Account Customer Agreement Funds deposited into the Eurodollar account are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency

Patient Accounts Receivable and Third-Party Payment Activities

Receivables from patients, insurance companies and third-party contractual agencies are recorded at regular patient service charge rates A majority of the Company's patients are insured by certain third-party insurers (principally Blue Cross, Medicare, and Medicaid) based on contractual agreements which generally result in the Company collecting less than the established charge rates Final determination of payments under these agreements is subject to review by appropriate authorities Adequate allowances are provided for doubtful accounts, contractual adjustments and other uncertainties Credit losses have historically been within management's expectations Doubtful accounts are written off against the allowance after adequate collection effort is exhausted and recorded as recoveries of bad debts if subsequently collected

Inventories of Drugs and Supplies

Inventories of drugs and supplies are stated at cost using the first-in, first-out (FIFO) method which is not in excess of market

Investments

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets Whose Use Is Limited

Assets whose use is limited include assets held by trustees under bond indenture agreements and assets set aside by the Board of Trustees (the "Board") for future capital improvements, over which the Board retains control and may, at its discretion, subsequently use for other purposes Amounts required to meet current liabilities of the Company are classified as current assets

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and includes expenditures which substantially increase the useful lives of existing property and equipment Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts, and any gain or loss is reflected in operating income in the consolidated statements of operations

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method The estimated life for the building is 40 years and equipment is 5 to 7 years

Land and improvements held for investment

The Hospital holds land in Montgomery, Alabama for the purpose of investment The Hospital also made improvements to the land when purchased The land is recorded at cost, which is evaluated each year for any impairment No impairment has been recorded to date

Bond Issuance Costs

Bond issuance costs are being amortized over the life of the bonds, which approximates the effective interest method The amortization of bond issuance costs is included in depreciation and amortization expense in the consolidated statements of operations Accumulated amortization at December 31, 2011 and 2010 was $169,258 and $163,444, respectively

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative Instruments

The Company recognizes its derivative instruments ("interest rate swap agreements") as either assets or liabilities in the consolidated balance sheets at fair value The accounting for changes in fair value (unrealized gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship

During 2008, the Imaging and Surgery Centers entered into interest rate swap agreements ("2008 swaps") to reduce the effect of changes in interest rates on its variable rate long-term debt The 2008 swaps were designated as cash flow hedges Therefore, the fair value of the hedges were recorded as a component of net assets as of December 31, 2010 The Imaging and Surgery Centers were exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreements However, there was no such nonperformance related to the 2008 swaps The 2008 swaps were settled in September 2011

In September 2011, the Imaging and Surgery Centers entered into new interest rate swap agreements ("2011 swaps") The 2011 swaps were not designated as cash flow hedges Accordingly, the 2011 swaps are marked to market and unrealized gains and losses are recorded in excess of revenues over expenses

See Note H for further discussion on the interest rate swaps

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

Revenues from the Medicare and Medicaid programs accounted for approximately 52 and 9 percent, respectively, of the Company's gross patient charges for the year ended December 31, 2011 Revenues from the Medicare and Medicaid programs accounted for approximately 50 and 9 percent, respectively, of the Company's gross patient charges for the year ended December 31, 2010

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The difference between original estimates made by the Hospital in prior years and subsequent revisions (including final settlements) was a decrease to net patient revenue of approximately $40,000 and $343,000, respectively, for the years ended December 31, 2011 and 2010 The Company believes that it is in compliance with all applicable laws and regulations Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from Medicare and Medicaid programs

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Charity care is the difference between charges for patient care rendered to indigent patients and amounts received Charity care for the years ended December 31, 2011 and 2010 was approximately $33,262,000 and $21,216,000, respectively, based on established rates The cost of these services was $8,010,293 and $5,109,325 for the years ended December 31, 2011 and 2010 Charity care charges are excluded from revenue reported in the accompanying consolidated financial statements of operations

Income Taxes

The Hospital is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements

As a limited liability company, the Surgery Center and Imaging Center's taxable income or loss is allocated to the members and is included in the calculation of their taxable income Accordingly, the accompanying financial statements do not reflect a provision or liability for income taxes

The Company determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2011 and 2010 Years ending on or after December 31, 2008, remain subject to examination by federal and state tax authorities

Electronic Health Records Funds

The Company received funds in the amount of $853,000 from the state Medicaid agency for their compliance with electronic health records requirements The company began implementing the new systems in 2010 The Company recognized all revenue once it had been earned and received from Medicaid The revenue is included in other operating revenues in the consolidated statements of operations

Excess of Revenues over Expenses

The consolidated statements of operations include excess of revenues over expenses Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Financial Instruments Not Measured at Fair Value - Some of the Company's financial instruments are not measured at fair value on a recurring basis but, nevertheless, are recorded at amounts that approximate fair value due to their liquid or short-term nature Such financial assets and financial liabilities include cash equivalents, patient accounts receivable, accounts payable and accrued expenses, and estimated third-party payor settlements The carrying values of these are determined as follows

Cash equivalents - The carrying value of cash equivalents approximates fair market value

Patient accounts receivable - The carrying value of patient accounts receivable, net of allowances for doubtful accounts and contractual adjustments, and estimated amounts due from third parties, approximates fair value

Accounts payable and accrued expenses - The carrying amounts reported for accounts payable and accrued expenses approximate fair value

Long term debt - The fair value of the Company's long-term debt is based on quoted market rates, if available, or discounted cash flows based on current borrowing rates The estimated fair value of the Company's long-term debt was approximately $112,175,000 and $112,065,000 at December 31, 2011 and 2010, respectively

Reclassifications

Certain reclassifications have been made to the December 31, 2010 consolidated financial statements included herein to conform to the December 31, 2011 presentation These reclassifications had no material effect on the consolidated financial position, results of operations or cash flows of the Company

NOTE B - CONCENTRATIONS OF CREDIT RISK

The Company grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor arrangements The mix of receivables from patients and third-party payors was as follows

	2011	2010
Medicare	55%	50%
Medicaid	10%	10%
Blue Cross	17%	20%
Private pay	4%	3%
Commercial	5%	4%
HMOs/PPOs	6%	10%
Other	3%	3%
	100%	100%

NOTE C - THIRD-PARTY PAYOR AGREEMENTS

The Company has agreements with third-party payors that provide for payments to the Company at amounts different from its established rates A summary of the payment arrangements with major third-party payors is as follows

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Outpatient services rendered to Medicare beneficiaries are paid at prospectively determined rates The Company is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Company and audits thereof by the Medicare fiscal intermediary The Company's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Company The Company's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created the Recovery Audit Contractors ("RAC") program to detect and correct improper payments in the Medicare program This began as a 3-year demonstration program in New York, Massachusetts, Florida, South Carolina, and California that ended in March 2008 This program has been phased into all 50 states As of December 31, 2011, the Company does not have a reserve related to the RAC audits The reserve was $500,000 as of December 31, 2010

NOTE C - THIRD-PARTY PAYOR AGREEMENTS (Continued)

Blue Cross

Inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates per day of hospitalization Outpatient services are reimbursed at the lower of a predetermined percentage of cost or charges and is subject to retroactive settlement in accordance with the contractual agreement or a defined payment schedule for certain outpatient services The Company's Blue Cross cost reports have been audited by Blue Cross through June 30, 2010

Medicaid

Inpatient services rendered to Medicaid program beneficiaries for the period prior to October 1, 2009 were reimbursed at an all-inclusive per diem rate plus enhancement payments and disproportionate share payments The prospectively determined per diem rates were not subject to retroactive settlement Outpatient services were reimbursed on a fee-for-service basis Effective October 1, 2009, a new plan for reimbursing Alabama hospitals for Medicaid claims was approved by the Centers for Medicare and Medicaid Services (CMS) Under the new plan, the Hospital receives disproportionate share payments in addition to fee-for-service payments for inpatient and outpatient services with inpatient service fees paid on a per diem rate and outpatient services paid at a per encounter rate Effective October 1, 2011, inpatient services are reimbursed on a per diem rate and outpatient services are reimbursed on a fee-for-service basis

HMOs/PPOs

The Company has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations ("HMOs") and preferred provider organizations ("PPOs") The bases for payment to the Company under these agreements include prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates

The components of net patient service revenue at December 31 was as follows

	2011	2010
Gross patient charges at established rates	$ 709,319,297	$ 657,475,406
Deductions		
Contractual adjustments	(399,407,067)	(376,607,112)
Other allowances	(121,560,077)	(98,307,347)
Total deductions	(520,967,144)	(474,914,459)
Net patient service revenue	$ 188,352,153	$ 182,560,947

NOTE D - ASSETS WHOSE USE IS LIMITED

Bond Indenture Agreement

The components of assets whose use is limited under bond indenture agreements at December 31, was as follows

	2011	2010
Cash and cash equivalents	$ 3,838,600	$ 3,858,860
Municipal obligations	7,275,323	6,841,873
	$ 11,113,923	$ 10,700,733

Investments totaling approximately $6,511,000 and $6,580,000 at December 31, 2011 and 2010, respectively, included above represent the debt service reserve fund for the 2006 Bonds (Note G) In accordance with the Bond Trust Indenture dated December 1, 2006, and the issuance of the 2006 Bonds, the Hospital placed funds on deposit to establish and maintain a debt service reserve fund

Capital Improvements

The components of assets whose use is limited by Board for capital improvements at December 31 was as follows

	2011	2010
Cash and cash equivalents	$ 3,447,622	$ 3,822,781
Fixed income mutual funds	26,557,358	25,594,853
Equity mutual funds	19,532,415	18,034,726
Hedge funds	11,295,040	10,105,768
	$ 60,832,435	$ 57,558,128

The following tables reflect investments with unrealized losses at December 31, 2011 and 2010 The table segregates the investments that have been in an unrealized loss position for less than 12 months from those that have been in an unrealized loss position for 12 months or longer

NOTE D - ASSETS WHOSE USE IS LIMITED (Continued)

The Company had total net unrealized gains of $328,202 and $651,493 at December 31, 2011 and 2010, respectively None of the reported declines are considered other than temporary impairments at December 31, 2011 or 2010 Investments in an unrealized loss position as of December 31, 2011 and 2010, are summarized as follows

	Cash and short-term investments	Equity Securities	Fixed Income Securities	Totals
As of December 31, 2011:				
Loss for less than 12 months				
Fair value	$ 3,335,471	$ 3,435,492	$ -	$ 6,770,963
Unrealized losses	(72,725)	(228,942)	-	(301,667)
Loss for 12 months or longer				
Fair value	-	12,844,770	-	12,844,770
Unrealized losses	-	(1,451,498)	-	(1,451,498)
Total unrealized losses				
Fair value	3,335,471	16,280,262	-	19,615,733
Unrealized losses	(72,725)	(1,680,440)	-	(1,753,165)
As of December 31, 2010:				
Loss for less than 12 months				
Fair value	$ 3,285,528	$ -	$ -	$ 3,285,528
Unrealized losses	(11,165)	-	-	(11,165)
Loss for 12 months or longer				
Fair value	-	11,978,357	11,995,099	23,973,456
Unrealized losses	-	(469,498)	(293,236)	(762,734)
Total unrealized losses				
Fair value	3,285,528	11,978,357	11,995,099	27,258,984
Unrealized losses	(11,165)	(469,498)	(293,236)	(773,899)

Investment securities are exposed to various risks, such as interest rate, market and credit risks As a result of conditions in the subprime mortgage market, the broader financial markets have experienced significant volatility for the past several years The value of the Company's investments are sensitive to changes in economic and regulatory conditions and, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will continue to occur in the near term and that such changes could materially affect the value of those investments reported in the accompanying consolidated balance sheets

NOTE D - ASSETS WHOSE USE IS LIMITED (Continued)

Net investment income consisted of the following as of December 31

	2011	2010
Interest and dividends	$ 1,692,056	$ 2,589,049
Realized gain (loss), net	327,075	(382,787)
	$ 2,019,131	$ 2,206,262

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31

	2011	2010
Land	$ 6,043,534	$ 6,137,451
Land improvements	2,857,123	2,432,493
Buildings and improvements	108,339,493	106,789,105
Fixed equipment	35,943,712	35,713,677
Major movable equipment	114,921,662	108,720,796
	268,105,524	259,793,522
Less accumulated depreciation	148,159,927	135,932,359
Construction in progress	1,584,685	1,664,146
	$ 121,530,282	$ 125,525,309

Construction in progress at December 31, 2011 relates to various projects with estimated costs to complete of approximately $420,000 All projects are expected to be completed in 2012 Depreciation expense for the years ended December 31, 2011 and 2010 was $12,328,365 and $12,490,929, respectively

NOTE F - LEASE COMMITMENTS

The Company entered into various operating lease agreements for equipment Future minimum lease payments under non-cancelable operating leases consisted of the following as of December 31

Year ending December 31	
2012	$ 2,146,878
2013	1,839,429
2014	503,801
2015	120,682
	$ 4,610,790

Total rental expense for operating leases for the years ended December 31, 2011 and 2010 was approximately $2,747,000 and $2,575,000, respectively

NOTE G - LONG-TERM DEBT

Long-term debt consisted of the following as of December 31

	2011	2010
Medical Clinic Board of the City of Montgomery, Alabama		
Series 2006 Bonds	$ 102,895,000	$ 104,960,000
Jackson Surgery Center Building Project - 2008 Bonds	-	7,606,801
Jackson Surgery Center Equipment Project - 2008 Bonds	-	3,050,083
Jackson Surgery Center Building Project - 2011 Bonds	7,331,949	-
Jackson Surgery Center Equipment Project - 2011 Bonds	2,528,376	-
Jackson Imaging Center Building Project - 2007 Bonds	-	4,198,173
Jackson Imaging Center Equipment Project - 2007 Bonds	-	692,018
Jackson Imaging Center Building Project - 2011 Bonds	4,055,852	-
Jackson Imaging Center Equipment Project - 2011 Bonds	529,080	-
	117,340,257	120,507,075
Plus unamortized premium	2,179,292	2,269,781
Less current portion	3,401,605	17,612,075
	$ 116,117,944	$ 105,164,781

In December 2006, the Medical Clinic Board of the City of Montgomery, Alabama (the "Medical Center Board") issued $110,575,000 of Health Care Facility Revenue Bonds - Jackson Hospital & Clinic Series 2006 (the "2006 Bonds") Proceeds from the 2006 Bonds were used to refund the principal amounts outstanding of the 1991 Bonds, 1996 Bonds and 2005 Bonds, to fund construction of new hospital facilities, renovations and improvements to existing hospital facilities, for the acquisition of equipment, and to pay certain issuance costs related to the 2006 Bonds

NOTE G - LONG-TERM DEBT (Continued)

Pursuant to the Trust Indenture of the Health Care Facility Revenue Bonds Series 1991, 1996 and 2005, the proceeds of the 2006 Bonds and certain funds were deposited in an irrevocable escrow fund to provide for repayment of interest and principal of the 1991, 1996 and 2005 Bonds The 1991 and 1996 bonds were redeemed in 2007, the 2005 Bonds will be redeemed in accordance with the existing repayment schedule

The principal balance outstanding of the advance refunded 2005 Bonds at December 31, 2011, was $1,359,900, and there are funds held in escrow for repayment Since the escrowed securities fully satisfy the future debt service requirements of the previously issued debt, the debt is considered extinguished, and neither the escrowed assets nor the refunded debt is recorded on the Company's consolidated balance sheets

The outstanding portion of the 2006 Bonds consists of $11,875,000 in serial bonds maturing in various amounts beginning March 2012 through March 2016 that bear interest at rates ranging from 4 50 to 5 00 percent, $15,115,000 of term bonds due March 1, 2021, bearing interest at 5 125 percent, $19,340,000 of term bonds due March 1, 2026, bearing interest at 4 75 percent, $14,585,000 of term bonds due March 1, 2031, bearing interest at 5 25 percent, $10,130,000 of term bonds due March 1, 2031, bearing interest at 4 75 percent, $21,655,000 of term bonds due March 1, 2036, bearing interest at 5 25 percent, and $10,195,000 of term bonds due March 1, 2036, bearing interest at 4 75 percent Series 2006 Bonds have a stated maturity of March 1, 2017, and thereafter are subject to redemption at the option of the Hospital as a whole or in part The term bonds have mandatory redemptions from March 2017 through March 2036

Title to substantially all of the Hospital's property and equipment has been transferred to the Medical Clinic Board in connection with the Medical Clinic Board's issuance of the 2006 Bonds, and the Medical Clinic Board has leased the facilities back to the Hospital at rentals approximating the 2006 Bonds' debt service The capital lease obligations consist primarily of future rentals to be paid to the Medical Clinic Board by the Hospital under the leases Amortization on the assets recorded under the capital leases is classified with depreciation expense on the consolidated statements of operations

The lease agreement between the Hospital and the Medical Clinic Board requires that certain funds be established and controlled by a trustee for the purpose of paying construction costs and lease payments These funds are to remain in trust as long as the lease agreements are in effect The Hospital has been granted an option to purchase the assets from the Medical Clinic Board for a nominal amount at the termination of the lease The 2006 Bonds are secured by a pledge of, and are payable solely from, the rentals and other receipts derived by the Medical Clinic Board from the assets leased to the Hospital

To provide security for the payment of the lease payments, the Hospital has pledged its gross receipts to the Medical Clinic Board The Hospital has also agreed to operate, maintain and repair the facilities and to pay the costs of such operations The lease places restrictions on the Hospital's ability to enter into certain types of debt arrangements other than those specified in the lease

NOTE G - LONG-TERM DEBT (Continued)

The Bond Trust Indenture and master lease agreement include certain financial and other covenants that restrict liens on property, limit additional indebtedness and restrict the sale, lease or disposition of any property held by the Hospital In addition, the Hospital has agreed to maintain a historical debt service coverage ratio of not less than 1 1 to 1 However, if the ratio falls below the stated rate, the Hospital has agreed to retain an independent consultant to make recommendations to increase such debt service coverage ratio to the minimum required amount

Jackson Surgery Center Bonds

In December 2007, the Medical Clinic Board issued $12,288,000 of Medical Facilities Revenue Bonds - Jackson Surgery Center Building and Equipment Bonds ("2007 Bonds") The 2007 Bonds included interest at a variable rate of LIBOR plus 0 90 percent Proceeds from the 2007 Bonds were used to fund the construction of the Surgery Center and to purchase equipment and furnishings

In December 2008, the Mortgage, Assignment of Leases and Security Agreements related to the 2007 Bonds were released, and the Medical Clinic Board issued documents on the final bonds ("Surgery Center Bonds"), which increased the bond amount to $12,768,000 with $8,168,000 specified for the Jackson Surgery Center Building Project and $4,600,000 for the Jackson Surgery Center Equipment Project

In September 2011, the Surgery Center retired its previous bonds through the issuance of new bonds The total of new bonds issued was approximately $10,088,282, with $7,409,811 specified for the Jackson Surgery Center Building Project and $2,678,471 for the Jackson Surgery Center Equipment Project

As of December 31, 2011, the outstanding portion of the Surgery Center Bonds consisted of $7,331,949 of the Jackson Surgery Center Building Project Bonds, due in monthly principal and interest, with a final balloon payment due September 2014 that bears a variable rate of interest of LIBOR plus 2 25 percent (2 53 percent at December 31, 2011) and $2,528,376 of the Jackson Surgery Center Equipment Project Bonds, due in monthly principal and interest installments, with a final balloon payment due September 2014 that bears a variable rate of interest of LIBOR plus 2 25 percent (2 53 percent at December 31, 2011) The Surgery Center entered into an interest rate swap agreement (Note H) related to the Jackson Surgery Center Building Project Bonds, which resulted in effective interest rates on the debt of 1 35 percent for the Building Project and 1 20 percent for the Equipment Project at December 31, 2011

NOTE G - LONG-TERM DEBT (Continued)

Jackson Surgery Center Bonds (Continued)

As of December 31, 2010, the outstanding portion of the Surgery Center Bonds consisted of $7,606,801 of the Jackson Surgery Center Building Project Bonds, due in monthly principal and interest installments of $49,067, with a final balloon payment due December 2011 with a variable rate of interest of LIBOR plus 1 65 percent (1 90 percent at December 31, 2010) and $3,050,083 of the Jackson Surgery Center Equipment Project Bonds, due in monthly principal and interest installments of $56,392, with a final balloon payment due December 2011 with a fixed rate of 4 13 percent The Surgery Center entered into an interest rate swap agreement (Note H) related to the Jackson Surgery Center Building Project Bonds, which resulted in an effective interest rate on the debt of 3 90 percent

The carrying value of the Surgery Center's long-term debt approximates its fair value due to the variable rates associated with the debt or, for obligations that have fixed rates, the rates associated with those obligations approximating current borrowing rates

Pursuant to the Trust Indenture of the Medical Facilities Revenue Bonds, the proceeds of the bonds were deposited in a Construction Fund account with Regions Bank ("Bondholder") where the funds are held, maintained and distributed by the Bondholder for the purpose of projects with respect to the improvements and equipment purchases As of December 31, 2011 and 2010, the Surgery Center had $28,102 and $105,320, respectively, of restricted cash remaining in the Construction Fund account

The Bond Trust Indenture, master lease agreement and guarantee agreements include certain covenants that restrict liens on property, limit additional indebtedness and restrict the sale, lease or disposition of any property held by the Surgery Center The Surgery Center is also subject to financial covenants related to debt service coverage to maximum annual debt service requirements

In connection with the construction of the Surgery Center, the Hospital entered into a Project Agreement in December 2007 with the Medical Clinic Board for the conveyance of certain property for the benefit of the project The Medical Clinic Board has leased the property and improvements thereon to the Surgery Center at rentals approximating the debt service on the bonds plus the Medical Clinic Board's installment purchase obligation to the Hospital for the land The overall effect of the lease results in the Surgery Center leasing the land from the Hospital For the consolidated financial statements, the lease and related transactions have been eliminated

The Surgery Center bonds are secured by a pledge of, and are payable solely from, the rentals and other receipts derived by the Medical Clinic Board from the assets leased to the Surgery Center

NOTE G - LONG-TERM DEBT (Continued)

Jackson Surgery Center Bonds (Continued)

To provide security for the payment of the lease payments, the Surgery Center has pledged its gross receipts to the Medical Clinic Board The Surgery Center has also agreed to operate, maintain and repair the facilities and to pay the costs of such operations The lease places restrictions on the Surgery Center's ability to enter into certain types of debt arrangements other than those specified in the lease The Surgery Center bonds also include limited guarantee agreements to Regions Bank from the Hospital and each individual physician investor, based on their respective ownership interests

Jackson Imaging Center Bonds

In December 2007, the Medical Clinic Board issued $5,520,000 of Medical Facilities Revenue Bonds - Jackson Imaging Center Building and Equipment Bonds ("2007 Bonds") The 2007 Bonds included interest at a variable rate of LIBOR plus 0 90 percent Proceeds from the 2007 Bonds were used to fund the construction of the Imaging Center, to purchase equipment and furnishings for the Imaging Center, and to cover certain issuance costs related to the 2007 Bonds

In November 2008, the Mortgage, Assignment of Leases and Security Agreements related to the 2007 Bonds were released, and the Medical Clinic Board issued documents on the final bonds ("Imaging Center Bonds"), which increased the bond amount to $5,988,000 with $4,488,000 specified for the Jackson Imaging Center Building Project and $1,500,000 for the Jackson Imaging Center Equipment Project

In September 2011, the Imaging Center retired its previous bonds through the issuance of new bonds The total of new bonds issued was approximately $4,659,000, with $4,099,000 specified for the Jackson Imaging Center Building Project and $560,000 for the Jackson Imaging Center Equipment Project

As of December 31, 2011, the outstanding portion of the Imaging Center Bonds consists of $4,055,852 of the Jackson Imaging Center Building Project Bonds due in monthly installments of principal and interest, with a final balloon payment due September 2014 that bears a variable interest rate of LIBOR plus 2 25 percent (2 53 percent at December 31, 2011), and $529,080 of the Jackson Imaging Center Equipment Project Bonds due in monthly installments of principal and interest, with a final balloon payment due September 2014 that bears a variable interest rate at LIBOR plus 2 25 percent (2 53 percent at December 31, 2011) The Imaging Center entered into interest rate swap agreements (Note H) related to the Jackson Imaging Center Building Project and Equipment Project Bonds, which resulted in effective interest rates on the debt of 1 35 percent for the Building Project and 1 20 percent for the Equipment Project at December 31, 2011

NOTE G - LONG-TERM DEBT (Continued)

Jackson Imaging Center Bonds (Continued)

As of December 31, 2010, the outstanding portion of the Imaging Center Bonds consisted of $4,198,173 of the Jackson Imaging Center Building Project Bonds due in monthly installments of principal and interest totaling $29,371, with a final balloon payment due November 2011 that bears a variable interest rate of LIBOR plus 1 65 percent (1 90 percent at December 31, 2010) and $692,018 of the Jackson Imaging Center Equipment Project Bonds due in monthly installments of principal and interest totaling $19,044, with a final balloon payment due November 2011 that bears a fixed rate of 4 92 percent The Imaging Center entered into an interest rate swap agreement (Note H) related to the Jackson Imaging Center Building Project Bonds, which resulted in an effective interest rate on the debt of 4 90 percent

The carrying value of the Imaging Center's long-term debt approximates its fair value due to the variable rates associated with the debt or, for obligations that have fixed rates, the rates associated with those obligations approximating current borrowing rates

The Bond Trust Indenture, master lease agreement and guarantee agreements include certain covenants that restrict liens on property, limit additional indebtedness and restrict the sale, lease or disposition of any property held by the Imaging Center The Imaging Center is also subject to financial covenants related to debt service coverage to maximum annual debt service requirements

In connection with the construction of the Imaging Center, the Hospital entered into a Project Agreement in December 2007 with the Medical Clinic Board for the conveyance of certain property for the benefit of the project The Medical Clinic Board has leased the property and improvements thereon to the Imaging Center at rentals approximating the debt service on the bonds plus the Medical Clinic Board's installment purchase obligation to the Hospital for the land The overall effect of the lease results in the Imaging Center leasing the land from the Hospital For the consolidated financial statements, the lease and related transactions have been eliminated

The Imaging Center Bonds are secured by a pledge of, and are payable solely from, the rentals and other receipts derived by the Medical Clinic Board from the assets leased to the Imaging Center

To provide security for the payment of the lease payments, the Imaging Center has pledged its gross receipts to the Medical Clinic Board The Imaging Center has also agreed to operate, maintain and repair the facilities and to pay the costs of such operations The lease places restrictions on the Imaging Center's ability to enter into certain types of debt arrangements other than those specified in the lease The Imaging Center Bonds also include limited guarantee agreements to Regions Bank from the Hospital and the Radiology Group, PA, based on their respective ownership interests

NOTE G - LONG-TERM DEBT (Continued)

A summary of payments required under long-term debt for each of the five succeeding fiscal years, thereafter and in the aggregate was as follows

Years ending December 31	
2012	$ 8,448,598
2013	8,493,033
2014	19,140,971
2015	7,213,906
2016	7,214,719
Thereafter	141,260,115
Total minimum lease payments	191,771,342
Less amounts representing interest	74,431,085
Present value of minimum lease payments	117,340,257
Plus unamortized premium	2,179,292
Less amounts due within one year	3,401,605
	$ 116,117,944

The Company paid interest of $5,866,316 and $5,762,101, respectively, for the years ended December 31, 2011 and 2010

NOTE H - DERIVATIVES

In order to hedge its cash flow on long-term debt payments and to protect against increasing interest rates on the variable rate associated with the Building Project Bonds, the Surgery Center entered into an interest rate swap agreement ("swap agreement") with a financial institution on December 19, 2008 The agreement had a decreasing notional amount, which approximated the principal amortization of the variable rate bonds, $7,606,801 as of December 31, 2010, upon which the Surgery Center paid the financial institution a fixed rate of 2 25 percent on the notional amount, and the financial institution paid the Surgery Center a floating rate equal to the 30-day LIBOR rate as determined on a monthly basis The swap agreement was settled in September 2011 in connection with the retirement of the 2007 Bonds and issuance of the 2011 Bonds

NOTE H - DERIVATIVES (Continued)

In September 2011, the Surgery Center entered into two interest rate swaps in order to hedge its cash flow on long-term debt payments and to protect against increasing interest rates on the variable rate associated with the Building and Equipment Projects Project Bonds The interest rate swap is not designated as a hedge The agreements have decreasing notional amounts which approximate the principal amortization of the variable rate bonds, $9,860,325 as of December 31, 2011, upon which the Surgery Center pays the financial institution a fixed rate of 2 25 percent on the notional amount, and the financial institution pays the Surgery Center a floating rate equal to the 30-day LIBOR rate as determined on a monthly basis The agreements terminate on September 13, 2014

In order to hedge its cash flow on long-term debt payments and to protect against increasing interest rates on the variable rate associated with the Building Project Bonds, the Imaging Center entered into an interest rate swap agreement ("swap agreement") with a financial institution on November 20, 2008 The agreement had a decreasing notional amount which approximated the principal amortization of the variable rate bonds, $4,197,900 as of December 31, 2010, upon which the Imaging Center paid the financial institution a fixed rate of 3 25 percent on the notional amount, and the financial institution paid the Imaging Center a floating rate equal to the 30-day LIBOR rate as determined on a monthly basis The swap agreement was settled in September 2011 in connection with the retirement of the 2007 Bonds and issuance of the 2011 Bonds

In September 2011, the Imaging Center entered into two interest rate swaps in order to hedge its cash flow on long-term debt payments and to protect against increasing interest rates on the variable rate associated with the Building and Equipment Project Bonds This interest rate swap is not designated as a hedge The agreements have decreasing notional amounts which approximate the principal amortization of the variable rate bonds, $4,584,932 as of December 31, 2011, upon which the Imaging Center pays the financial institution a fixed rate of 1 35 percent and 1 20 percent on the notional amount of the Building Project and the Equipment Project, respectively The financial institution pays the Imaging Center a floating rate equal to the 30-day LIBOR rate as determined on a monthly basis The agreements terminate on September 13, 2014

NOTE I - EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension Plan

The Hospital sponsors a defined benefit pension plan (the "Plan") which covers substantially all of its eligible employees Benefits are based on years of credited service Each employee is eligible to participate in the Plan provided that the employee has attained age 21 and has completed at least 1,000 hours of service during the first 12 consecutive months of employment or during any plan year thereafter, and the employee's age is less than 60 at the commencement of his employment

The Hospital funding policy is to contribute annually the minimum amount required to be in compliance with the Employee Retirement Income Security Act of 1974 Effective April 30, 2007, the Plan was amended to only allow non-highly compensated employees who are age 55 or older with 15 or more years of service to accrue additional benefits under the plan

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

The actuarial method of valuation used for calculation of pension benefits is the Projected Unit Credit Method Actuarial assumptions used to determine benefit obligations at December 31 are

	2011	2010
Discount rate	5 25%	6 49%
Rate of increases in compensation levels	4 00%	4 00%
Expected long-term rate of return on assets	8 50%	8 50%

The Hospital's management, in consultation with its actuary, selected the above rates based on current market interest rates, settlement rates and plan experience The expected rate of return for the Plan represents the average rate of return to be earned on plan assets over the period the benefits included in the benefit obligation are to be paid

In developing the expected rate of return, the Hospital considers the long-term compound annualized returns of historical market data Using this reference information, the Hospital develops forward-looking return expectations for each asset category and a weighted average expected long-term rate of return for a targeted portfolio allocated across these investment categories The measurement date used to determine pension benefits was December 31, 2011

The Hospital's Finance Committee determines the investment policies and strategies for the Plan The Hospital has a target portfolio allocation of 50 percent equities and 50 percent fixed income securities, however, the investment policies allow a 40 to 60 percent allocation range for both categories

The Plan's weighted-average asset allocations at December 31 by asset category are as follows

	2011	2010
Equity securities	45%	49%
Debt securities	49%	43%
Real estate	4%	5%
Other	2%	3%
	100%	100%

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

The following tables set forth the obligation and funded status of the plan

	2011	2010
Change in benefit obligation		
Benefit obligation, beginning of year	$ 37,394,863	$ 36,249,030
Service cost	195,275	240,361
Interest cost	2,396,891	2,373,539
Actuarial loss	10,621,384	1,454,854
Benefits paid	(552,114)	(2,922,921)
Settlements	(3,364,843)	-
Projected benefit obligation, end of year	46,691,456	37,394,863
Change in plan assets		
Fair value of plan assets, beginning of year	31,346,229	27,218,021
Actual return on plan assets	(539,433)	3,311,629
Employer contributions	4,552,258	3,739,500
Benefits paid	(552,114)	(2,922,921)
Settlements	(3,364,843)	-
Fair value of plan assets, end of year	31,442,097	31,346,229
Unfunded status	$ (15,249,359)	$ (6,048,634)

The following table sets forth the amounts recognized in the consolidated balance sheets as of December 31

	2011	2010
Prepaid benefit cost	$ 5,319,887	$ 2,164,383
Accumulated other changes in unrestricted net assets	(20,569,246)	(8,213,017)
Net amount recognized	$ (15,249,359)	$ (6,048,634)

Net pension cost included the following components as of December 31

	2011	2010
Service cost	$ 195,275	$ 240,361
Interest cost	2,396,891	2,373,539
Expected return on plan assets	(2,950,186)	(2,712,965)
Amortization of prior service cost	2,332	2,332
Amortization of net actuarial loss	270,714	-
Settlements	1,481,729	-
Net periodic pension cost	$ 1,396,755	$ (96,733)

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

The accumulated benefit obligation for the pension plan was $46,189,285 and $36,544,380 at December 31, 2011 and 2010, respectively The increase in minimum pension liability included in other changes in unrestricted net assets was $12,356,228 and $853,857, respectively, for the years ended December 31, 2011 and 2010

The following table sets forth the estimated benefits to be paid in the following years ending December 31

Year ending December 31	
2012	$ 696,356
2013	901,372
2014	1,075,687
2015	1,201,366
2016	1,496,996
2017 - 2021	10,480,593

In addition, the Hospital has an irrevocable standby letter of credit with a bank totaling $921,769 and $1,002,035 at December 31, 2011 and 2010, respectively, relating to the retirement payout of certain beneficiaries related to the Plan The letter of credit is for the benefit of the Plan Trustee and expires February 22, 2013

The Hospital estimates that the contributions paid to the Plan in the following year will be $4,662,855

The following table presents the fair value of the Plan's investments, along with the level within the fair value hierarchy for the investments as of December 31, 2011

		Fair Value Measurement Using		
Assets	**Fair Value**	**Quoted Prices in Active Markets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Money market funds	$ 690,625	$ 689,565	$ -	$ -
Common collective trusts				
Bond index fund	2,959,622	-	2,959,622	-
Intermediate credit fund	11,189,918	-	11,189,918	-
Fixed credit fund	1,041,016	-	1,041,016	-
Real estate fund	1,361,832	-	1,361,832	-
Equity fund	14,199,084	-	14,199,084	-
Total assets	$ 31,442,097	$ 689,565	$ 30,751,472	$ -

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

The following table presents the fair value of the Plan's investments, along with the level within the fair value hierarchy for the investments as of December 31, 2010

		Fair Value Measurement Using		
Assets	Fair Value	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Money market funds	$ 523,899	$ 523,899	$ -	$ -
Common collective trusts				
Bond index fund	13,803,525	-	13,803,525	-
Real estate fund	1,424,310	-	1,424,310	-
Equity fund	15,594,495	-	15,594,495	-
Total assets	$ 31,346,229	$ 523,899	$ 30,822,330	$ -

There are no significant concentrations of risk in plan assets

403(b) Defined Contribution Plan

The Hospital has established the Jackson Hospital & Clinic, Inc 403(b) Plan (the "403(b) Plan"), a defined contribution plan for substantially all fulltime employees Employees are eligible to participate the first day of the month after one year of service and receive a discretionary employer contribution of four percent of eligible compensation The Hospital accrued approximately $1,659,000 and $1,554,000 of contributions for this plan (included in accrued salaries and benefits in the accompanying consolidated balance sheets) as of December 31, 2011 and 2010, respectively, which were paid to the Trustee of the 403(b) Plan subsequent to year end

The 403(b) Plan is funded exclusively through the purchase of annuity contracts or establishment of custodial accounts A participant shall at all times have a 100-percent vested interest in the employee contributions whereas employer contributions vest 100 percent after three years of service Employee deferrals are available to participants under the loan provisions of the 403(b) Plan Any forfeitures shall be used to reduce future employer contributions In the event of the 403(b) Plan termination, all participants' account balances shall become fully vested

NOTE I - EMPLOYEE RETIREMENT PLANS (Continued)

457(b) and 457(f) Deferred Compensation Plans

The Hospital established the Jackson Hospital 457(b) Top Hat Plan (the "457(b) Plan") effective December 31, 2004 (amended March 1, 2008), for the exclusive benefit of certain employees and their beneficiaries as an eligible deferred compensation plan under the Internal Revenue Code of 1986, as amended Participants in the 457(b) Plan may defer compensation under the 457(b) Plan up to predetermined limits Such compensation deferred will be invested in annuity contracts or other investments as specified in the participants deferred compensation agreements

The Hospital established the Jackson Hospital 457(f) Deferred Compensation Plan (the "457(f) Plan") effective January 1, 2008 (amended March 1, 2008), for the exclusive benefit of certain employees and their beneficiaries The 457(f) Plan (along with the related Rabbi Trust) is intended to be a nonqualified ineligible deferred compensation plan established pursuant to Section 409A of the Internal Revenue Code of 1986, as amended The primary purpose of the 457(f) Plan is to attract and retain qualified highly compensated executive or managerial personnel by providing for a deferral of compensation to a later date

401(k) Defined Contribution Plan

On January 1, 2009, Jackson Imaging Center, LLC established the Jackson Imaging Center, LLC Retirement Plan (the "401 (k) Plan"), a defined contribution plan for substantially all full-time employees Employees are eligible to participate after attainment of age 21 and completion of one year of service Management will determine the amount of discretionary employer contributions on an annual basis Expense under the plan for 2011 and 2010 was $26,893 and $25,495, respectively

NOTE J - RELATED PARTY TRANSACTIONS

Certain members of the Hospital's medical staff serve on the Board of Trustees of the Hospital Some of the physician members are paid fees for professional services provided to patients of the Hospital

Jackson Hospital Foundation is a not-for-profit fund-raising organization of which Jackson Hospital & Clinic, Inc is its sole beneficiary

NOTE J - RELATED PARTY TRANSACTIONS (Continued)

The net assets of the Foundation at December 31, 2011 and 2010, according to its unaudited internal financial statements are as follows

	2011	2010
Cash and temporary investments	$ 747,603	$ 773,350
Investments (net of unrealized (losses) gains of $(78,275) and $76,294 at December 31, 2011 and 2010, respectively)	3,085,107	2,901,438
Other assets	40,546	6,024
Total assets	$ 3,873,256	$ 3,680,812
Accrued liabilities	$ 37,714	$ 55,775
Net assets	3,835,542	3,625,037
Total liabilities and net assets	$ 3,873,256	$ 3,680,812

Total revenues for the years ended December 31, 2011 and 2010, were $274,050 and $526,544 (including change in net unrealized (losses) gains on investments of $(154,569) and $142,311), respectively Total expenses for the years ended December 31, 2011 and 2010, were $221,236 and $378,467, respectively

NOTE K - COMMITMENTS AND CONTINGENCIES

The Company is a defendant in various lawsuits arising in the ordinary course of business The amounts of liability, if any, for the lawsuits are not determinable but, in the opinion of management, such liability, if any, will not have a material effect upon the consolidated financial position or consolidated results of operations since such matters will generally be covered by insurance

The Company is covered for medical malpractice by Medical Assurance on a claims-made basis Coverage includes a $50,000 deductible per occurrence and coverage of $1,000,000 per occurrence and $3,000,000 in aggregate annually In addition, the Company acquired $7,000,000 of umbrella coverage The policy is on a retrospective rating basis which could result in the Company paying additional premiums if the earned premium calculated at the end of the policy period by the insurer exceeds the advance premium paid by the Company

In the current year, the Company adopted new accounting guidance which requires potential losses and insurance recoveries to be presented at gross amounts The Company accrues the full amount for estimated potential losses on claims and also provides an accrual for incurred but not reported claims ("IBNR"), which is recorded in other accrued liabilities in the accompanying balance sheet The Company also records a receivable, which is recorded in other receivables in the accompanying balance sheet for the amounts expected to be recovered under their insurance policy In the opinion of management, insurance coverage and estimated reserves for outstanding and IBNR claims are adequate to cover significant losses, if any

NOTE L - INVESTMENTS IN JOINT VENTURES

Jackson-Med-South Home Medical Equipment, LLC

The Hospital entered into a joint venture agreement with Med-South, Inc ("MSI"), a durable medical equipment company in 1998, and formed Jackson-Med-South Home Medical Equipment, LLC ("JMS") JMS was developed to operate a sleep lab and to purchase, sell and rent durable medical equipment MSI performs accounting, billing and collection services for JMS

The Hospital accounts for the joint venture under the equity method Accordingly, profits and losses are allocated based on equity interests in the joint ventures For the years ended December 31, 2011 and 2010, the Hospital recognized $387,925 and $381,875, respectively, of profit related to the joint venture, which is included in other operating revenue in the consolidated statements of operations In addition, the Hospital received dividends of $350,210 and $300,000 during the years ended December 31, 2011 and 2010, respectively As of December 31, 2011 and 2010, the Hospital's investment is $584,590 and $796,665, respectively, which represents a 50 percent equity interest in the joint venture

The net assets of JMS at December 31, 2011 and 2010, according to its unaudited internal financial statements are as follows

	2011	2010
Current assets	$ 1,031,617	$ 1,080,181
Noncurrent assets	488,183	553,872
Total assets	$ 1,519,800	$ 1,634,053
Current liabilities	$ 385,338	$ 144,195
Net assets	1,134,462	1,489,858
Total liabilities and net assets	$ 1,519,800	$ 1,634,053

Total revenues for the years ended December 31, 2011 and 2010, were $3,468,992 and $3,647,519, respectively Total expenses for the years ended December 31, 2011 and 2010, were $2,625,390 and $2,858,764, respectively

NOTE L - INVESTMENTS IN JOINT VENTURES (Continued)

Jackson Imaging Center, LLC

The Hospital holds a 67 percent interest (since inception) in the net assets of Jackson Imaging Center, LLC, a joint venture with Radiology Group, PA (collectively, the "Imaging Center Members") The Imaging Center is designed to provide diagnostic imaging services to outpatients of the Hospital and surrounding areas The Imaging Center Members collectively hold exclusive authority and are responsible for the management of the Imaging Center

Since the Hospital has a majority ownership and control of the entity, the Imaging Center is consolidated in the accompanying consolidated financial statements Under the terms of the operating agreement, the Hospital may be liable, on a pro rata basis, up to a 67 percent maximum potential guarantee, to secure the principal and interest due under the bond issuance with the Medical Clinic Board related to the construction of the facility (Note G)

Jackson Surgery Center, LLC

The Hospital owns a 51 percent interest at December 31, 2011 and 2010, in the net assets of Jackson Surgery Center, LLC, a joint venture formed with various physicians (collectively, the "Surgery Center Members") for the purpose of providing ambulatory surgery services to the residents of Montgomery, Alabama and surrounding areas The Surgery Center Members collectively hold exclusive authority and are responsible for the management and operation of the Surgery Center

Since the Hospital has a majority ownership and control of the entity, the Surgery Center is consolidated in the accompanying consolidated financial statements Under the terms of the operating agreement, the Hospital may be liable, on a pro rata basis, up to a 51 percent maximum potential guarantee to secure any principal and interest due under the bond issuance with the Medical Clinic Board related to the construction of the facility (Note G)

NOTE M - NOTE RECEIVABLE

In August 2000, the Hospital entered into an agreement with the Elmore County Health Care Authority (the "Authority"), guarantor of Elmore County Hospital's debt, to settle all of Elmore County Hospital's outstanding indebtedness to the Hospital The $1,200,000 note bears a zero percent interest rate and is payable in 24 annual installments of $50,000 beginning July 1, 2001 A discount of $165,857 and $188,858 was recorded to state the note at net present value as of December 31, 2011 and 2010, respectively The discount was calculated using an interest rate of 4 5 percent and is being amortized over the life of the note The outstanding balance is $484,143 and $511,142 at December 31, 2011 and 2010, respectively

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS

The provision of the Fair Value Measurement standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements The provision does not require any new fair value measurements, but clarifies and standardizes some divergent practices that have emerged since prior guidance was issued The provision creates a three-level hierarchy under which individual fair value estimates are to be ranked based on the relative reliability of the inputs used in the valuation

The provision defines fair value as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date When determining the fair value measurements for assets and liabilities, the Company considers the principal or most advantageous market in which those assets or liabilities are sold and considers assumptions that market participants would use when pricing those assets or liabilities Fair values determined using level 1 inputs rely on active and observable markets to price identical assets or liabilities In situations where identical assets and liabilities are not traded in active markets, fair values may be determined based on level 2 inputs, which exist when observable data exists for similar assets and liabilities Fair values for assets and liabilities that are not actively traded in observable markets are based on level 3 inputs, which are considered to be unobservable

The fair value of fixed income mutual funds and equity mutual funds is based on quoted market prices in an active market for identical assets as of the reporting date The fair value of these investment securities is categorized within Level 1 of the fair value hierarchy

The fair value of interest rate swaps is based upon changes in the interest rates included in the underlying notional amount The interest rate swap agreements may require the Company to make fixed rate interest payments in exchange for variable interest rate payments or vice versa and are categorized within Level 2 of the fair value hierarchy

The fair value of hedge funds is determined by applying the Company's ownership interest in limited liability partnerships or limited liability companies to the net asset value of the investment fund The hedge funds are categorized within Level 3 of the fair value hierarchy Underlying assets of the hedge funds include real estate, mortgage-backed securities, and global funds of funds

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

For assets and liabilities carried at fair value, the following table provides the fair value information as of December 31, 2011

		Fair Value Measurement Using		
ASSETS	**Fair Value**	**Quoted Prices in Active Markets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Assets whose use is limited by				
Board for capital improvements				
Cash and cash equivalents	$ 3,447,622	$ 3,447,622	$ -	$ -
Fixed income mutual funds	26,557,358	26,557,358	-	-
Global Financial Funds	25,140,405	19,532,415	-	5,607,990
Real Estate Funds	5,687,050	-	-	5,687,050
Bond indenture				
Cash and cash equivalents	3,838,600	3,838,600	-	-
Municipal obligations	7,275,323	7,275,323	-	-
Total assets	$ 71,946,358	$ 60,651,318	$ -	$ 11,295,040
LIABILITIES				
Interest rate swap agreements	$ 260,955	$ -	$ 260,955	$ -

NOTE N - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

For assets and liabilities carried at fair value, the following table provides the fair value information as of December 31, 2010

		Fair Value Measurement Using		
ASSETS	**Fair Value**	**Quoted Prices in Active Markets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Assets whose use is limited by				
Board for capital improvements				
Cash and cash equivalents	$ 3,822,781	$ 3,822,781	$ -	$ -
Fixed income mutual funds	25,594,853	25,594,853	-	-
Equity mutual funds	22,985,084	18,034,726	-	4,950,358
Real Estate Funds	5,155,410	-	-	5,155,410
Bond indenture				
Cash and cash equivalents	3,858,860	3,858,860	-	-
Municipal obligations	6,841,873	6,841,873	-	-
Total assets	$ 68,258,861	$ 58,153,093	$ -	$ 10,105,768
LIABILITIES				
Interest rate swap agreements	$ 267,426	$ -	$ 267,426	$ -

The activity for the year ended December 31, 2011, for investments valued using level three inputs, as defined above, is as follows

	2011
Beginning balance	$ 10,105,768
Investment income, net of fees	251,814
Net purchases	681,432
Realized losses	(16,216)
Unrealized gains	272,242
Ending balance	$ 11,295,040

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events and their potential effects on these consolidated financial statements through April 11, 2012, which is the date the consolidated financial statements were available to be issued During this period, the Company did not have any material recognizable subsequent events

Additional Data

Software ID:
Software Version:
EIN: 63-6001820
Name: JACKSON HOSPITAL AND CLINIC INC

Form 990, Special Condition Description:

Special Condition Description