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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 07-01-2011 and ending 06-30-2012

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

C Name of organization
JEFFERSON HOSPITAL ASSOCIATION INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1600 WEST 40TH AVENUE

City or town, state or country, and ZIP + 4
PINE BLUFF, AR 71603

D Employer identification number
71-0329353

E Telephone number
(870) 541-7100

G Gross receipts $ 188,813,480

F Name and address of principal officer
WALTER JOHNSON
1600 WEST 40TH AVENUE
PINE BLUFF, AR 71603

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 JRMC ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1959

M State of legal domicile AR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HEALTH CARE SERVICE PROVIDER

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**	15
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**	2,188
6	Total number of volunteers (estimate if necessary)	**6**	60
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	166,173
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-21,805

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	1,829,103	1,419,947
	9 Program service revenue (Part VIII, line 2g)	176,838,047	176,078,282
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,109,092	2,465,169
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,142,934	8,839,559
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	190,919,176	188,802,957
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	684,521	366,572
	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)	87,400,453	89,619,300
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶10,523		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	91,302,870	90,215,463
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	179,387,844	180,201,335
	19 Revenue less expenses Subtract line 18 from line 12	11,531,332	8,601,622

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	230,604,629	241,797,556
	21 Total liabilities (Part X, line 26)	61,659,025	64,420,486
	22 Net assets or fund balances Subtract line 21 from line 20	168,945,604	177,377,070

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

****** 2013-05-06
Signature of officer — Date

BRYAN JACKSON VICE PRESIDENT & CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: JEFF PARKER | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions) P00970069

Firm's name (or yours if self-employed), address, and ZIP + 4: CLIFTONLARSONALLEN LLP, 600 WASHINGTON AVENUE SUITE 1800, ST LOUIS, MO 63101 | EIN ▶ 41-0746749 | Phone no ▶ (314) 925-4300

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

JEFFERSON REGIONAL MEDICAL CENTER IS COMMITTED TO PROVIDING MEASURABLE QUALITY HEALTH SERVICES IN A CARING ENVIRONMENT, WHICH FULFILL THE NEEDS OF OUR PATIENTS, PHYSICIANS, EMPLOYERS, EMPLOYEES AND COMMUNITY

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 $ 161,500,818 including grants of $ 366,572) (Revenue $ 176,887,478)

JEFFERSON HOSPITAL ASSOCIATION, INC (JHA) OPERATES JEFFERSON REGIONAL MEDICAL CENTER (JRMC), A 471 BED TERTIARY CARE FACILITY LOCATED IN SOUTHEAST ARKANSAS THAT SERVES A POPULATION BASE OF 222,000 PEOPLE LIVING IN 11 COUNTIES JRMC IS A NOT-FOR-PROFIT, SOLE COMMUNITY HOSPITAL, LICENSED BY THE ARKANSAS STATE HEALTH DEPARTMENT AND ACCREDITED BY THE JOINT COMMISSION JRMC HAS A LONG TRADITION OF PROVIDING SIGNIFICANT BENEFITS TO OUR COMMUNITY WHICH IS ROOTED IN OUR MISSION, "TO PROVIDE MEASURABLE QUALITY HEALTH SERVICES IN A CARING ENVIRONMENT WHICH FULFILL THE NEEDS OF OUR PATIENTS, PHYSICIANS, EMPLOYERS, EMPLOYEES AND COMMUNITY" AND VISION, "TO BE WIDELY RECOGNIZED AS THE HEALTH CARE LEADER AND REFERRAL CENTER OF CHOICE FOR SOUTH ARKANSAS BY PROVIDING QUALITY HEALTH CARE SERVICES IN A COST EFFECTIVE MANNER "WE PROVIDE SEVERAL CENTERS OF EXCELLENCE PROVIDING A WIDE RANGE OF PROGRAMS AND MEDICAL SERVICES THESE INCLUDE CARDIOLOGY, SURGERY, CRITICAL CARE, REHABILITATION, PSYCHIATRY, LABORATORY, GASTROENTEROLOGY, ORTHOPEDICS, NEUROLOGY, EMERGENCY, OBSTETRICS/GYNECOLOGY, RADIOLOGY, HOSPICE, AND MANY MORE WE ALSO OPERATE AND MANAGE SEVERAL SATELLITE CLINICS WHICH PROVIDE PRIMARY AND SPECIALTY HEALTHCARE TO THE COMMUNITY AND OUTLYING AREAS JRMC OPERATES AN EMERGENCY ROOM THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY, HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA, HAS A GOVERNING BODY THAT IS COMPRISED OF INDIVIDUALS WHO ARE REPRESENTATIVE OF THE COMMUNITY, ENGAGES IN THE TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS, AND PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, TRICARE AND/OR OTHER GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS COMMUNITY SERVICE AND EDUCATION CONTINUED TO BE A SIGNIFICANT PART OF OUR MISSION JRMC PROVIDES NUMEROUS SPONSORSHIPS WITHIN THE COMMUNITY, AND OFFER DOZENS OF FREE HEALTH SCREENINGS AND EDUCATIONAL EVENTS EACH YEAR NOT ONLY IS INFORMATION SHARED ABOUT HEALTHCARE RELATED ISSUES, BUT PARTICIPANTS ARE GIVEN THE OPPORTUNITY TO VISIT ONE-ON-ONE WITH PHYSICIANS AND OTHER HEALTHCARE PROFESSIONALS APPROXIMATELY 336,000 LIVES WERE TOUCHED THROUGH CHARITABLE SOCIOECONIMIC DEVELOPMENT ACTIVITIES, AT AN ESTIMATED COST OF $322,000, WHILE OUTREACH AND COMMUNITY EDUCATION ACTIVITIES TOUCHED APPROXIMATELY 54,000 LIVES AT AN ESTIMATED COST OF $146,000 DURING FISCAL YEAR 2012 OUR COMMITMENT TO BRING NEW AND INNOVATIVE PROGRAMS AND SERVICES TO SOUTHEAST ARKANSAS IS EVIDENT DURING FISCAL YEAR 2012, JRMC INVESTED APPROXIMATELY $6 8 MILLION IN CAPITAL ADDITIONS AND IMPROVEMENTS TO OUR FACILITIES AND EQUIPMENT THIS WAS ACCOMPLISHED BY CONNECTING THOUGHTFUL, DELIBERATE, DISCIPLINED PLANNING, BUDGETING AND SPENDING WITH THE NEED TO PROVIDE STATE-OF-THE-ART TECHNOLOGIES IN A CARING ENVIRONMENT JRMC CONTINUES TO BE THE FIRST OR ONE OF THE FIRST HOSPITALS IN THE STATE TO ACQUIRE AND IMPLEMENT MANY LEADING HEALTHCARE TECHNOLOGIES WE ARE PROUD THAT WE CAN CONTINUE TO PROVIDE LEADING HEALTHCARE SERVICES TO EVERYONE IN SOUTHEAST ARKANSAS, REGARDLESS OF ABILITY TO PAY JRMC CONTINUES TO BE A LEADER IN ELECTRONIC MEDICAL RECORD SYSTEM ADVANCEMENT THE HEALTHCARE INFORMATION AND MANAGEMENT SYSTEMS SOCIETY (HIMSS) MAINTAINS A SYSTEM FOR MEASURING THE PROGRESS AND IMPACT OF ELECTRONIC MEDICAL RECORDS SYSTEMS THERE ARE A TOTAL OF 8 STAGES (0-7) A HOSPITAL CAN ACHIEVE WITH A GOAL OF REACHING STAGE 7, WHERE PAPER CHARTS ARE NOT USED TO MANAGE THE DELIVERY OF PATIENT CARE AND CLINICAL DATA IS USED FOR THE PERFORMANCE IMPROVEMENT AND ANALYTICS OF HEALTHCARE HIMSS CURRENTLY RECOGNIZES JRMC AS A STAGE 6 PROVIDER, WHICH PUTS JRMC IN THE TOP 3% OF PROVIDERS NATIONALLY DURING FISCAL YEAR 2011, JRMC WAS AMONG THE FIRST PROVIDERS IN THE NATION TO MEET STAGE 1 OF THE MEANINGFUL USE REQUIREMENTS SET FORTH AS PART OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 DURING FISCAL YEAR 2012, JRMC CONTINUED TO MEET THE SECOND-YEAR REQUIREMENTS SET FORTH IN THE LAW JRMC HAS BEEN RECOGNIZED BY THE JOINT COMMISSION AS ONE OF THE NATION'S TOP PERFORMERS ON KEY QUALITY MEASURES FOR HEART ATTACK, HEART FAILURE, AND PNEUMONIA TREATMENT THE ORGANIZATION HAS BEEN AWARDED MONETARY INCENTIVES IN BOTH ARKANSAS MEDICAID AND CENTERS FOR MEDICARE AND MEDICAID SERVICES QUALITY PROGRAMS BY ACHIEVING PERFORMANCE GOALS IN QUALITY, DOCUMENTATION AND VALIDATION EXCELLENCE WE CONTINUALLY ANALYZE PATIENT SATISFACTION SURVEY RESULTS AND MAKE ADJUSTMENTS, WHEN NEEDED, TO IMPROVE THE OVERALL PATIENT EXPERIENCE AT JRMC DURING THE PAST SEVERAL YEARS, THE BOARD OF DIRECTORS VIA ITS AUDIT COMMITTEE HAS FOCUSED ON MAINTAINING SEVERAL RECOMMENDATIONS MADE BY FITCH RATING WHICH URGED NOT-FOR-PROFIT HEALTHCARE PROVIDERS TO ADOPT NINE SPECIFIC PROVISIONS OF SARBANES-OXLEY COMPLIANCE DURING THIS PERIOD WE HAVE CONTINUED TO MAINTAIN COMPLIANCE WITH ALL NINE OF THE FITCH/SOX PROVISIONS THESE INCLUDE PROHIBITION OF SPECIFIED NON-AUDIT SERVICES BY AUDITORS, FIVE YEAR AUDIT PARTNER ROTATION, AUDITOR COMMUNICATIONS, AUDIT COMMITTEE STANDARDS, MANAGEMENT CERTIFICATION OF FINANCIAL STATEMENTS, BONUS FORFEITURE, ADOPTION OF A CODE OF ETHICS, AUDIT COMMITTEE FINANCIAL EXPERT, AND INTERNAL CONTROL EVALUATION IN ADDITION TO THE COMPLETE ADOPTION OF THE FITCH/SOX PROVISIONS, THE JHA BOARD OF DIRECTORS HAS UNDERTAKEN A COMPREHENSIVE SELF-ASSESSMENT REGARDING ITS NOT-FOR-PROFIT STATUS UTILIZING A COMPLIANCE CHECK TOOL AND PROPOSED GUIDELINES PUBLISHED BY THE IRS JHA HAS NO REASON TO BELIEVE ITS TAX EXEMPT STATUS HAS EVER BEEN IN JEOPARDY THIS INITIATIVE IS PART OF A LARGER COMPLIANCE PROGRAM INTENDED TO ENSURE JHA CONTINUALLY SELF EVALUATES ITS REGULATORY COMPLIANCE TODAY'S PUBLIC DEMANDS MORE INFORMATION IN A FULLY TRANSPARENT MANNER TO BE TRANSPARENT, WE MUST PROVIDE INFORMATION OPENLY, CANDIDLY, AND ACCURATELY WE PROVIDE INFORMATION ON THE FOLLOWING TOPICS INPATIENT PRICING, OUTPATIENT PRICING, QUALITY OUTCOMES, AND PATIENT SATISFACTION THIS GOES OVER AND BEYOND THE EFFORTS AND REQUIREMENTS OF THE ARKANSAS HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION THE COMPLETE INFORMATION CAN BE VIEWED AT WWW JRMC ORG

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

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

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

4e **Total program service expenses** ▶ $ 161,500,818

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts 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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, 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	Yes	
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**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or 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**		No
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**	211		
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**	2,188			
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**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account 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	15		
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	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		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		No
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 ▶

BRYAN JACKSON
1600 WEST 40TH STREET
PINE BLUFF, AR 71603
(870) 541-7100

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) JERREL BOAST DIRECTOR	1 00	X						0	0	0
(2) CHUCK MORGAN DIRECTOR	1 00	X						0	0	0
(3) DAVID BROWN CHAIRMAN	1 00	X		X				0	0	0
(4) FRANK ANTHONY DIRECTOR	1 00	X						0	0	0
(5) DREW ATKINSON DIRECTOR	1 00	X						0	0	0
(6) JAMES CAMPBELL JR MD DIRECTOR	1 00	X						0	0	0
(7) MARTY CASTEEL DIRECTOR	1 00	X						0	0	0
(8) ANNETTE KLINE SECRETARY	1 00	X		X				0	0	0
(9) CLIFTON ROAF DDS DIRECTOR	1 00	X						0	0	0
(10) GEORGE ROBERSON MD FACS DIRECTOR	1 00	X						76,650	0	0
(11) WALTER JOHNSON PRESIDENT & CEO	40 00	X		X				635,712	0	22,924
(12) MICHELLE ECKERT MD FACS DIRECTOR	1 00	X						56,568	0	0
(13) OT GORDON MD JRMC CHIEF OF STAFF	15 00	X						0	0	0
(14) GEORGE MAKRIS VICE CHAIRMAN	1 00	X		X				0	0	0
(15) JOANN B MAYS MD DIRECTOR	1 00	X						0	0	0
(16) SCOTT PITTILLO DIRECTOR	1 00	X						0	0	0
(17) HENRY FORD TROTTER III DIRECTOR	1 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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) DOUG COLEMAN MD JRMC CHIEF OF STAFF	15 00	X						27,500	0	0
(19) THOMAS HARBUCK EXECUTIVE VICE PRESIDENT	40 00			X				581,569	0	25,073
(20) LOUISE HICKMAN VICE PRESIDENT & CNO	40 00			X				305,261	0	20,354
(21) BRIAN THOMAS SENIOR VP & COO	40 00			X				408,757	0	22,130
(22) BRYAN G JACKSON VICE PRESIDENT & CFO	40 00			X				146,293	0	37,695
(23) ALI ALNASIF MD PHYSICIAN	40 00					X		396,239	0	14,263
(24) TAMER ALSEBAI MD PHYSICIAN	40 00					X		421,773	0	22,887
(25) CHARLES A CLARK PHYSICIAN	40 00					X		565,996	0	19,411
(26) JAMES ALAN POLLARD PHYSICIAN	40 00					X		630,957	0	22,376
(27) JOHN O LYTLE PHYSICIAN	40 00					X		883,263	0	22,630

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	5,136,538	0	229,743

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 ▶ 54

			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
EMURGENT CARE INC 8 SHACKLEFORD PLAZA LITTLE ROCK, AR 72211	PHYSICIAN SERVICES	3,674,512
REHAB CARE GROUP INC PO BOX 502096 ST LOUIS, MO 63150	THERAPY SERVICES	3,263,135
SODEXHO INC & AFFILIATES PO BOX 536922 ATLANTA, GA 30353	NUTRITIONAL SERVICES	2,486,749
UAMS-AHEC 4010 MULBERRY ST PINE BLUFF, AR 71603	PHYSICIAN SERVICES	2,028,429
JEFFERSON ANESTHESIOLOGY PO BOX 1272 PINE BLUFF, AR 71613	PROFESSIONAL SERVICES	1,815,975

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 ▶ 58

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	1,011,148			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	408,799			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,419,947			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENU	621400	176,078,282	176,078,282		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		176,078,282			
	3	Investment income (including dividends, interest and other similar amounts)		2,465,169			2,465,169
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	536,065				
	b	Less rental expenses	0				
	c	Rental income or (loss)	536,065				
	d	Net rental income or (loss)		536,065			536,065
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a 22,670				
	b	Less direct expenses	b 10,523				
	c	Net income or (loss) from fundraising events		12,147			12,147
	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	EHR INCENTIVE	900099	2,196,825			2,196,825
	b	OP PHARMACY AND GIFT S	446110	1,264,889			1,264,889
	c	CAFETERIA	722320	1,004,779			1,004,779
	d	All other revenue		3,824,854	809,196	166,173	2,849,485
	e	**Total.** Add lines 11a–11d		8,291,347			
	12	**Total revenue.** See Instructions		188,802,957	176,887,478	166,173	10,329,359

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	110,102	110,102		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	256,470	256,470		
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	2,589,340	226,014	2,363,326	
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	72,574,995	65,459,076	7,115,919	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,615,955	2,287,598	328,357	
9	Other employee benefits	6,403,844	5,577,473	826,371	
10	Payroll taxes	5,435,166	4,752,939	682,227	
11	Fees for services (non-employees)				
a	Management	4,120,677	3,747,248	373,429	
b	Legal	140,084	56,971	83,113	
c	Accounting	278,530		278,530	
d	Lobbying	19,986		19,986	
e	Professional fundraising *See Part IV, line 17*				
f	Investment management fees				
g	Other	25,797,214	23,516,157	2,281,057	
12	Advertising and promotion	48,710	7,010	41,700	
13	Office expenses	5,899,005	3,980,085	1,908,397	10,523
14	Information technology	1,413,580	1,201,543	212,037	
15	Royalties				
16	Occupancy	2,526,355	2,207,041	319,314	
17	Travel	273,491	163,180	110,311	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	114,959	93,492	21,467	
20	Interest	1,390,814	1,278,938	111,876	
21	Payments to affiliates	1,662,304	1,601,573	60,731	
22	Depreciation, depletion, and amortization	9,205,708	8,465,206	740,502	
23	Insurance	2,719,514	2,626,300	93,214	
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	MEDICAL SUPPLIES	24,945,557	24,496,080	449,477	
b	PROVISION FOR BAD DEBTS	6,376,981	6,376,981		
c	LICENSE/TAXES	2,483,496	2,461,249	22,247	
d	OTHER MISCELLANEOUS	425,967	422,959	3,008	
e					
f	All other expenses	372,531	129,133	243,398	
25	**Total functional expenses.** Add lines 1 through 24f	180,201,335	161,500,818	18,689,994	10,523
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		60,318,674	1	18,572,418
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		19,119,495	4	22,929,527
	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		8,281,091	7	1,812,431
	8	Inventories for sale or use		4,620,638	8	4,941,179
	9	Prepaid expenses and deferred charges		2,386,171	9	2,797,891
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 202,210,644			
	b	Less accumulated depreciation	10b 143,296,367	60,513,299	10c	58,914,277
	11	Investments—publicly traded securities		42,037,752	11	97,514,664
	12	Investments—other securities See Part IV, line 11		2,381,010	12	2,278,826
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		30,946,499	15	32,036,343
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		230,604,629	16	241,797,556
Liabilities	17	Accounts payable and accrued expenses		31,894,107	17	34,845,472
	18	Grants payable			18	
	19	Deferred revenue		3,480,502	19	3,355,512
	20	Tax-exempt bond liabilities		25,686,548	20	25,483,245
	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		597,868	25	736,257
	26	**Total liabilities.** Add lines 17 through 25		61,659,025	26	64,420,486
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		168,945,604	27	177,377,070
	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		168,945,604	33	177,377,070
	34	Total liabilities and net assets/fund balances		230,604,629	34	241,797,556

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	188,802,957
2	Total expenses (must equal Part IX, column (A), line 25)	2	180,201,335
3	Revenue less expenses Subtract line 2 from line 1	3	8,601,622
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	168,945,604
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-170,156
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	177,377,070

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	Yes	
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	Yes	

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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 C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

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

Name of the organization	Employer identification number
JEFFERSON HOSPITAL ASSOCIATION INC	71-0329353

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

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		0
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		19,986
j	Total lines 1c through 1i			19,986
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	A PORTION OF DUES PAID TO ARKANSAS HOSPITAL ASSOCIATION AND AMERICAN HOSPITAL ASSOCIATION ARE USED FOR LOBBYING EXPENSES

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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		4,805,853		4,805,853
b Buildings		82,728,307	54,800,414	27,927,893
c Leasehold improvements				
d Equipment		112,903,469	88,495,953	24,407,516
e Other		1,773,015		1,773,015
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				58,914,277

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
(1) DEFERRED FINANCING COSTS	589,885
(2) 457 PLAN - FMV ASSET	736,257
(3) DUE FROM AFFILIATES	30,710,201
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	32,036,343

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
457 PLAN	736,257
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	736,257

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 ASSOCIATION HAS BEEN RECOGNIZED AS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND A SIMILAR PROVISION OF STATE LAW HOWEVER, THE ASSOCIATION IS SUBJECT TO FEDERAL INCOME TAX ON ANY UNRELATED BUSINESS TAXABLE INCOME THE ASSOCIATION APPLIES THE INCOME TAX STANDARD FOR UNCERTAIN TAX POSITIONS THIS STANDARD CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ORGANIZATION'S FINANCIAL STATEMENTS THIS STANDARD PRESCRIBES RECOGNITION AND MEASUREMENT OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE NOT CERTAIN TO BE REALIZED THE ASSOCIATION'S INCOME TAX RETURNS ARE SUBJECT TO REVIEW AND EXAMINATION BY FEDERAL, STATE, AND LOCAL AUTHORITIES THE ASSOCIATION IS NOT AWARE OF ANY ACTIVITIES THAT WOULD JEOPARDIZE ITS TAX-EXEMPT STATUS THE ASSOCIATION IS NOT AWARE OF ANY ACTIVITIES THAT ARE SUBJECT TO TAX ON UNRELATED BUSINESS INCOME OR EXCISE OR OTHER TAXES THAT ARE NOT CURRENTLY BEING RECOGNIZED THE TAX RETURNS FOR TAX YEARS 2009 TO 2011 ARE OPEN TO EXAMINATION BY FEDERAL, LOCAL, AND STATE AUTHORITIES

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☐ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☐ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

Revenue / Direct Expenses		(a) Event #1 FUNDRAISING-WEE CARE COOKIE DOUGH (event type)	(b) Event #2 FUNDRAISING-WEE CARE CANDY (event type)	(c) Other Events 4 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	11,460	6,943	4,267	22,670
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)	11,460	6,943	4,267	22,670
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	6,948	3,575		10,523
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(10,523)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				12,147

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

Revenue / Direct Expenses		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	**13a**	
b	An outside facility	**13b**	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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	Yes	
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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	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)		9,886	12,349,919		12,349,919	6 850 %
b Medicaid (from Worksheet 3, column a)		10,856	2,559,577		2,559,577	1 420 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs		20,742	14,909,496		14,909,496	8 270 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	56	53,828	146,123		146,123	0 080 %
f Health professions education (from Worksheet 5)	26	23,800	6,403,710	2,508,463	3,895,247	2 160 %
g Subsidized health services (from Worksheet 6)	3	10,836	1,936,835	1,203,752	733,083	0 410 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			366,572	256,470	110,102	0 060 %
j **Total** Other Benefits	85	88,464	8,853,240	3,968,685	4,884,555	2 710 %
k **Total.** Add lines 7d and 7j	85	109,206	23,762,736	3,968,685	19,794,051	10 980 %

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	80	336,347	321,802		321,802	0 180 %
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**	80	336,347	321,802		321,802	0 180 %

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	1,144,097		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	56,757,461	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	58,346,809	
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-1,589,348	
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 JEFFERSON SURGERY CENTER PLLC	AMBULATORY SURGERY CENTER	62 500 %	2 000 %	35 500 %
2					
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	JEFFERSON REGIONAL MEDICAL CENTER 1600 W 40TH AVE PINE BLUFF, AR 71603	X	X		X			X		

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)

JEFFERSON REGIONAL MEDICAL CENTER

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 150 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	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000%			
	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		No
	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? 7

	Name and address	Type of Facility (Describe)
1	HEALTH CARE PLUS 209 N BLAKE PINE BLUFF,AR 71603	PHYSICIAN CLINIC
2	CENTER ON AGING 4747 DUSTY LAKE DR SUITE 101 PINE BLUFF,AR 71603	PHYSICIAN CLINIC
3	RHUEMATOLOGY CLINIC 1609 W 40TH SUITE 207 PINE BLUFF,AR 71603	PHYSICIAN CLINIC
4	PINE BLUFF SPECIALTY CLINIC 1601 W 40TH SUITE 301 PINE BLUFF,AR 71603	PHYSICIAN CLINIC
5	CARDIOLOGY ASSOCIATES 1601 W 40TH SUITE 301 PINE BLUFF,AR 71603	PHYSICIAN CLINIC
6	ENDOCRINOLOGY OF SOUTH ARKANSAS 7500 DOLLARWAY RD WHITE HALL,AR 71603	PHYSICIAN CLINIC
7	SOUTH ARKANSAS ORTHOPEADICS CENTER 1609 W 40TH SUITE 501 PINE BLUFF,AR 71603	PHYSICIAN CLINIC
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 6B	THE ORGANIZATION MAKES ITS ANNUAL COMMUNITY BENEFIT REPORT AVAILABLE ON THE ORGANIZATION'S WEBSITE AND UPON REQUEST

Identifier	ReturnReference	Explanation
		PART II SEE STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS ON FORM 990, PART III, LINE 4A

Identifier	ReturnReference	Explanation
		PART III, LINE 4 ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT FOR THE YEARS ENDED JUNE 30, 2012 AND 2011, THERE WERE NO SIGNIFICANT CHANGES IN THE UNDERLYING ASSUMPTIONS USED IN ESTIMATING ALLOWANCE FOR UNCOLLECTIBLE AND CHARITY ACCOUNTS OR IN THE POLICIES REGARDING UNCOLLECTIBLE ACCOUNTS OR CHARITY CARE THE ORGANIZATION MAINTAINS A COST ACCOUNTING SYSTEM THAT COMPUTES PROGRAM COSTS AT THE PATIENT LEVEL THE COSTING METHODOLOGIES ARE APPLIED TO THE ORGANIZATION'S BAD DEBT EXPENSE TO DETERMINE THE ORGANIZATION'S COST OF BAD DEBT EXPENSE AS A SAFETY NET HOSPITAL, THE ORGANIZATION PROVIDES CARE TO ALL PATIENTS REGARDLESS OF SOURCE OF PAYMENT OR ABILITY / WILLINGNESS TO PAY, THEREFORE, THE COST OF CARE RELATED TO UNCOLLECTIBLE ACCOUNTS SHOULD BE CONSIDERED A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ORGANIZATION MAINTAINS A COST ACCOUNTING SYSTEM THAT COMPUTES COSTS AT THE PATIENT LEVEL THE COSTING METHODOLOGIES ARE APPLIED TO THE ORGANIZATIONS MEDICARE PATIENTS TO DETERMINE THE COST OF PROVIDING CARE AS A SAFETY NET HOSPITAL, THE ORGANIZATION PROVIDES CARE TO ALL PATIENTS REGARDLESS OF SOURCE OF PAYMENT, THEREFORE, COSTS TO PROVIDE CARE TO MEDICARE PATIENTS SHOULD BE CONSIDERED A COMMUNITY BENEFIT TO THE EXTENT COSTS EXCEED MEDICARE REIMBURSEMENT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B PATIENT ACCOUNTS QUALIFYING FOR CHARITY CARE WOULD NOT INTENTIONALLY BE PLACED WITH A DEBT COLLECTION SERVICE FROM TIME TO TIME, INFORMATION THAT RESULTS IN THE DETERMINATION OF CHARITY QUALIFICATION IS OBTAINED SUBSEQUENT TO A PATIENT'S ACCOUNT BEING PLACED WITH A DEBT COLLECTION AGENCY THE ORGANIZATION'S "COLLECTION AGENCY POLICY" REQUIRES CONTRACTED COLLECTION AGENTS, IN ADDITION TO MANY OTHER PRUDENT PROCEDURES, TO INFORM THE DEBTOR OF THE APPROPRIATE HOSPITAL FINANCIAL ASSISTANCE PROFESSIONAL TO CONTACT IF THE COLLECTION AGENT IS MADE AWARE OF A PATIENT'S FINANCIAL HARDSHIP THE COLLECTION AGENT IS ALSO REQUIRED TO NOTIFY THE ORGANIZATION OF THE PATIENT'S FINANCIAL HARDSHIP SO THE ORGANIZATION CAN ASSIST THE PATIENT IN ACCESSING THE ORGANIZATION'S FINANCIAL ASSISTANCE PROGRAMS

Identifier	ReturnReference	Explanation
JEFFERSON REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 19D AMOUNTS CHARGED TO PATIENTS ELIGIBLE FOR FINANCIAL ASSISTANCE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY ARE DETERMINED BASED ON A SLIDING-SCALE THAT CONSIDERS INCOME AS COMPARED TO FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 A FINANCIAL COUNSELOR INITIATES A FINANCIAL SCREENING ON ALL INPATIENTS, OBSERVATION PATIENTS AND OUTPATIENTS OCCUPYING A BED HAVING NO INSURANCE INDICATED ON THEIR ACCOUNT THIS PROCESS INCLUDES SCREENING FOR CHARITY CARE ASSISTANCE, MEDICAID COVERAGE AND OTHER THIRD PARTY COVERAGE OUTPATIENTS RECEIVE A FINANCIAL ASSISTANCE GUIDE SHEET SUMMARIZING ASSISTANCE OFFERED BY JRMC AT THE TIME OF REGISTRATION

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 SEE STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS ON FORM 990, PART III, LINE 4A

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 SEE STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS ON FORM 990, PART III, LINE 4A

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THIS IS NOT APPLICABLE FOR TAX YEAR 2011

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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) UNITED WAY OF SE ARKANSASPO BOX 8702 PINE BLUFF,AR 71611	71-0236869	501(C)(3)	34,466				SUPPORT OF SERVICES PROVIDED TO 16 SOUTHEAST ARKANSAS COUNTIES
(2) SEABROOK YMCA6808 SOUTH HAZEL PINE BLUFF,AR 71603	58-1641894	501(C)(3)	26,250				CAPITAL CAMPAIGN PLEDGE TO STRENGTHEN PHYSICAL ACTIVITIES FOR JEFFERSON COUNTY YOUTH
(3) COMMITTEE AGAINST SPOUSE ABUSEPO BOX 6705 PINE BLUFF,AR 71611	71-0562152	501(C)(3)	22,150				SUPPORT SERVICES AND SHELTER PROVIDED TO BATTERED WOMEN AND CHILDREN
(4) WHITE HALL ATHLETIC BOOSTER CLUB1102 NANCY STREET WHITE HALL,AR 71602	11-3725572	GOVERNMENT	7,775				GIFT TO HELP SECURE SAFE ENVIRONMENT FOR SOFTBALL TEAMS
(5) ARKANSAS AFFILIATE OF KOMEN FOR CURE904 AUTUMN ROAD LITTLE ROCK,AR 72211	71-0724439	501(C)(3)	7,500				RACE FOR THE CURE BRONZE-LEVEL SPONSORSHIP
(6) ARTS & SCIENCE CENTER FOR SOUTHEAST ARKANSAS701 MAIN STREET PINE BLUFF,AR 71601	71-0401966	501(C)(3)	6,579				SUPPORT OF CENTER'S MISSION OF ENHANCING QUALITY OF LIFE THROUGH ARTS AND SCIENCES
(7) ST PETER CATHOLIC SCHOOL1515 S STATE STREET PINE BLUFF,AR 71601	71-0615521	501(C)(3)	5,000				SPONSORSHIP TO SUPPORT INSTRUCTION ENABLING STUDENTS TO ACTIVELY PARTICIPATE IN COMMUNITY AND SOCIETY
(8) LUMBERJACK YAMAHA INC1504 S MAIN STREET WARREN,AR 71671	71-0600286		12,924				SPONSORSHIP TO PROVIDE ATV SAFETY HELMETS TO YOUNG PEOPLE IN SOUTHEAST ARKANSAS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 7

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) FEDERAL PELL GRANTS (US DEPARTMENT OF EDUCATION)	59	199,181			
(2) ACADEMIC CHALLENGE SCHOLARSHIPS (STATE OF ARKANSAS)	8	9,250			
(3) REHABILITATION GRANTS (STATE OF ARKANSAS)	6	9,157			
(4) WIA ADULT PROGRAM GRANTS (US DEPARTMENT OF LABOR)	9	15,750			

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 JEFFERSON HOSPITAL ASSOCIATION, INC MAINTAINED 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 GRANDS OR ASSISTANCE
FORM 990, PAGE 10, LINE 1 VS SCHEDULE I, PAGE 1, PART II AMOUNTS		THE ORGANIZATION IS REPORTING THE CONTRIBUTIONS PAID ON SCHEDULE I, WHICH IS NOT NECESSARILY ON THE ACCRUAL BASIS BECAUSE THE ORGANIZATION RECORDS LONG-TERM PLEDGES AT THEIR NPV AND RECORDS ACCRETION OF INTEREST OVER TIME THE PLEDGES, WHEN PAID, ARE A REDUCTION OF THIS LIABILITY AND NOT CURRENT YEAR EXPENSE WHICH MAY CAUSE A DIFFERENCE BETWEEN AMOUNT REPORTED ON FORM 990, PAGE 10 AND SCHEDULE I, PART II

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 71-0329353
Name: JEFFERSON HOSPITAL ASSOCIATION INC

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
UNITED WAY OF SE ARKANSASPO BOX 8702 PINE BLUFF,AR 71611	71-0236869	501(C)(3)	34,466				SUPPORT OF SERVICES PROVIDED TO 16 SOUTHEAST ARKANSAS COUNTIES
SEABROOK YMCA 6808 SOUTH HAZEL PINE BLUFF,AR 71603	58-1641894	501(C)(3)	26,250				CAPITAL CAMPAIGN PLEDGE TO STRENGTHEN PHYSICAL ACTIVITIES FOR JEFFERSON COUNTY YOUTH

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
COMMITTEE AGAINST SPOUSE ABUSEPO BOX 6705 PINE BLUFF,AR 71611	71-0562152	501(C)(3)	22,150				SUPPORT SERVICES AND SHELTER PROVIDED TO BATTERED WOMEN AND CHILDREN
WHITE HALL ATHLETIC BOOSTER CLUB 1102 NANCY STREET WHITE HALL,AR 71602	11-3725572	GOVERNMENT	7,775				GIFT TO HELP SECURE SAFE ENVIRONMENT FOR SOFTBALL TEAMS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ARKANSAS AFFILIATE OF KOMEN FOR CURE 904 AUTUMN ROAD LITTLE ROCK,AR 72211	71-0724439	501(C)(3)	7,500				RACE FOR THE CURE BRONZE-LEVEL SPONSORSHIP
ARTS & SCIENCE CENTER FOR SOUTHEAST ARKANSAS701 MAIN STREET PINE BLUFF,AR 71601	71-0401966	501(C)(3)	6,579				SUPPORT OF CENTER'S MISSION OF ENHANCING QUALITY OF LIFE THROUGH ARTS AND SCIENCES

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
ST PETER CATHOLIC SCHOOL1515 S STATE STREET PINE BLUFF,AR 71601	71-0615521	501(C)(3)	5,000				SPONSORSHIP TO SUPPORT INSTRUCTION ENABLING STUDENTS TO ACTIVELY PARTICIPATE IN COMMUNITY AND SOCIETY
LUMBERJACK YAMAHA INC1504 S MAIN STREET WARREN,AR 71671	71-0600286		12,924				SPONSORSHIP TO PROVIDE ATV SAFETY HELMETS TO YOUNG PEOPLE IN SOUTHEAST ARKANSAS

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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**		No
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**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
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) WALTER JOHNSON	(i)	327,488	99,260	208,964	10,674	14,634	661,020	0
	(ii)	0	0	0	0	0	0	0
(2) THOMAS HARBUCK	(i)	294,430	98,418	188,721	10,674	16,712	608,955	0
	(ii)	0	0	0	0	0	0	0
(3) LOUISE HICKMAN	(i)	165,593	41,784	97,884	10,673	11,088	327,022	0
	(ii)	0	0	0	0	0	0	0
(4) BRIAN THOMAS	(i)	224,758	57,281	126,718	10,889	12,598	432,244	0
	(ii)	0	0	0	0	0	0	0
(5) BRYAN G JACKSON	(i)	133,324	0	12,969	29,955	8,915	185,163	0
	(ii)	0	0	0	0	0	0	0
(6) ALI ALNASIF MD	(i)	379,432	0	16,807	10,674	6,100	413,013	0
	(ii)	0	0	0	0	0	0	0
(7) TAMER ALSEBAI MD	(i)	327,588	79,239	14,946	10,673	14,371	446,817	0
	(ii)	0	0	0	0	0	0	0
(8) CHARLES A CLARK	(i)	224,388	329,559	12,049	11,741	9,210	586,947	0
	(ii)	0	0	0	0	0	0	0
(9) JAMES ALAN POLLARD	(i)	430,301	188,685	11,971	10,607	13,310	654,874	0
	(ii)	0	0	0	0	0	0	0
(10) JOHN O LYTLE	(i)	316,611	554,856	11,796	11,065	13,106	907,434	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	COUNTRY CLUB MEMBERSHIPS ARE MAINTAINED BY THE ORGANIZATION FOR THE USE OF SPECIFIC EMPLOYEES AS DESIGNATED BY THE BOARD OF DIRECTORS
	PART I, LINE 1B	THERE IS NO WRITTEN POLICY REGARDING PAYMENT OF THOSE SPECIFIC DUES
	PART I, LINE 4B	WALTER JOHNSON $107,002, THOMAS HARBUCK $90,004, BRIAN THOMAS $48,164, LOUISE HICKMAN $49,467, BRYAN JACKSON $23,565
	PART I, LINE 7	THE ORGANIZATION PROVIDES DEFINED MEMBERS OF MANAGEMENT A NON-FIXED PERFORMANCE BASED INCENTIVE PLAN THE PLAN'S COMPONENTS ARE ESTABLISHED AND EVALUATED BY THE ORGANIZATION'S EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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	JEFFERSON COUNTY AR	71-6009958	472705DF6	12-15-2011	26,013,416	REFUND 2001 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	510,000			
2	Amount of bonds defeased				
3	Total proceeds of issue	26,013,416			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	25,395,168			
7	Issuance costs from proceeds	372,172			
8	Credit enhancement from proceeds	246,076			
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2012			

		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 ▶								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part 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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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
See Additional Data Table					

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 71-0329353
Name: JEFFERSON HOSPITAL ASSOCIATION INC

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

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
CENTRAL MOLONEY	SEE SCHEDULE O		SEE SCH O		No
LINDSAY MAKRIS	SEE SCHEDULE O		SEE SCH O		No
RICHARD MORGAN	SEE SCHEDULE O		SEE SCH O		No
SIMMONS FIRST NAT'L BANK	SEE SCHEDULE O		SEE SCH O		No
STACY COLEMAN	SEE SCHEDULE O		SEE SCH O		No
ARKANSAS HOSPITAL ASSOCIATION	SEE SCHEDULE O		SEE SCH O		No
REBECCA PITTILLO	SEE SCHEDULE O		SEE SCH O		No
MICHELLE ECKERT	SEE SCHEDULE O		SEE SCH O		No
STRONG MANUFACTURING	SEE SCHEDULE O		SEE SCH O		No

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	CHUCK MORGAN (JHA DIRECTOR) AND ANNETTE KLINE (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP MARTY CASTEEL (JHA DIRECTOR) AND DR CLIFTON ROAF (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP GEORGE MAKRIS (JHA DIRECTOR) AND DR CLIFTON ROAF (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP GEORGE MAKRIS (JHA DIRECTOR) AND MARTY CASTEEL (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP H FORD TROTTER III (JHA DIRECTOR) AND DR CLIFTON ROAF (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP H FORD TROTTER III (JHA DIRECTOR) AND MARTY CASTEEL (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP H FORD TROTTER III (JHA DIRECTOR) AND GEORGE MAKRIS (JHA DIRECTOR) HAVE BUSINESS RELATIONSHIPS H FORD TROTTER III (JHA DIRECTOR) AND DAVID BROWN (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP DR DOUG COLEMAN (JHA DIRECTOR) AND JERREL BOAST (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP GEORGE MAKRIS (JHA DIRECTOR) AND DAVID BROWN (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP FRANK ANTHONY (JHA DIRECTOR) AND WALTER JOHNSON (JHA PRESIDENT AND CEO) HAVE A BUSINESS RELATIONSHIP MARTY CASTEEL (JHA DIRECTOR) AND CHUCK MORGAN (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP SCOTT PITILLO (JHA DIRECTOR) AND ANNETTE KLINE (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP SCOTT PITILLO (JHA DIRECTOR) AND CHUCK MORGAN (JHA DIRECTOR) HAVE A BUSINESS RELATIONSHIP H FORD TROTTER III (JHA DIRECTOR) AND WALTER JOHNSON (JHA PRESIDENT AND CEO) HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE ORGANIZATION HAS A MEMBERSHIP CONSISTING OF 30 JEFFERSON COUNTY ARKANSAS RESIDENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBERSHIP OF THE ORGANIZATION HAS THE RESPONSIBILITY OF ELECTING THE BOARD OF DIRECTORS AT THE ANNUAL MEMBERSHIP MEETING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 AND FORM 990-T ARE PREPARED AND REVIEWED UNDER THE DIRECTION OF THE CHIEF FINANCIAL OFFICER FINAL DRAFTS OF THE RETURNS ARE PRESENTED TO THE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS, WHICH IS DESIGNATED BY THE BOARD OF DIRECTORS TO FULFILL THE FIDUCIARY RESPONSIBILITY OF THE GOVERNING BODY TO REVIEW AND APPROVE THE RETURNS BEFORE THEY ARE FILED WITH THE IRS AFTER ANY FINAL REVISIONS ARE MADE AND THE RETURNS ARE APPROVED BY THE GOVERNANCE COMMITTEE AND THE BOARD OF DIRECTORS, A FINAL VERSION IS POSTED TO AN INTERNAL SECURE WEBSITE WITH A LINK E-MAILED TO EACH VOTING MEMBER OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REQUIRES NOT ONLY AN ANNUAL CONFLICT OF INTEREST DISCLOSURE, BUT ALSO WHEN SITUATIONS SUBSEQUENT TO THE ANNUAL DISCLOSURE DEVELOP THAT WOULD POTENTIALLY PLACE THE INDIVIDUAL IN A CONFLICT OF INTEREST IN THOSE SITUATIONS, IMMEDIATE DISCLOSURE IS REQUIRED THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS CONDUCTS THE ANNUAL REVIEW OF CONFLICT OF INTEREST DISCLOSURES IN THE EVENT THE EXECUTIVE COMMITTEE DETERMINES THAT A CONFLICT EXISTS, LEGAL COUNSEL IS CONSULTED IF LEGAL COUNSEL DETERMINES THAT A CONFLICT EXISTS, THE PERSON IS INFORMED AND THE MATTER IS REPORTED TO THE BOARD FOR ACTION ANY DIRECTOR OR OFFICER WHOSE TRANSACTIONS ARE BEING REVIEWED WOULD ABSENT HIMSELF/HERSELF FROM THE REVIEW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS HAS ESTABLISHED A SEPARATE COMPENSATION COMMITTEE CHARGED WITH PERFORMING AN ANNUAL PERFORMANCE AND COMPENSATION REVIEW OF THE CEO AND OTHER OFFICERS THE COMPENSATION COMMITTEE MOST RECENTLY ENGAGED A THIRD-PARTY GLOBAL HUMAN CAPITAL CONSULTING FIRM IN 2008 AND HAS CONTINUED TO USE THE DATA FROM THAT ENGAGEMENT ALONG WITH UPDATED COMPARABILITY SURVEY DATA TO DEVELOP AND MAINTAIN A COMPENSATION PACKAGE THAT IS REASONABLE AS COMPARED TO SIMILAR POSITIONS AT NON-PROFIT HEALTHCARE ORGANIZATIONS OF SIMILAR SIZE AND COMPLEXITY THE COMPENSATION COMMITTEE THEN MAKES A REPORT TO THE FULL BOARD OF DIRECTORS OF ANY COMPENSATION ADJUSTMENTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION PROVIDES PHOTOCOPIES OF ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, FINANCIAL STATEMENTS, AND OTHER DOCUMENTS TO ALL WHO REQUEST ONE OR MORE OF THE ITEMS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -747,357 DONATED SERVICES AND USE OF FACILITIES 577,201 TOTAL TO FORM 990, PART XI, LINE 5 -170,156

Identifier	Return Reference	Explanation
AUDIT COMMITTEE	FORM 990, PAGE 12, PART XII, LINE 2C	THE ORGANIZATION'S POLICY REGARDING OVERSIGHT OF AUDIT IS CONSISTENT WITH THE PRIOR YEAR

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV, COLUMNS B, C, & D	(A) NAME OF PERSON RICHARD MORGAN (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION FAMILY MEMBER OF CHUCK MORGAN (JHA DIRECTOR) (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $10,000 (D) DESCRIPTION OF TRANSACTION EMPLOYEE OF JRMC (A) NAME OF PERSON SIMMONS FIRST NATIONAL BANK AND/OR SIMMONS FIRST NATIONAL CORPORATION (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION ENTITY IN WHICH DR CLIFTON ROAF, MARTY CASTEEL, GEORGE MAKRIS AND FORD TROTTER III ARE DIRECTORS AND / OR OFFICERS (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $100,000 (D) DESCRIPTION OF TRANSACTION INTEREST INCOME & BANK/TRUSTEE FEES (A) NAME OF PERSON CENTRAL MOLONEY (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION ENTITY IN WHICH CHUCK MORGAN (JHA DIRECTOR) IS AN OFFICER (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $100,000 (D) DESCRIPTION OF TRANSACTION HEALTH CARE PAYMENTS (A) NAME OF PERSON STACY COLEMAN (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION FAMILY MEMBER OF DR DOUG COLEMAN, JHA DIRECTOR (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $10,000 (D) DESCRIPTION OF TRANSACTION EMPLOYEE OF JRMC (A) NAME OF PERSON LINDSAY MAKRIS (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION FAMILY MEMBER OF GEORGE MAKRIS (JHA DIRECTOR) (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $10,000 (D) DESCRIPTION OF TRANSACTION EMPLOYEE OF JRMC (A) NAME OF PERSON ARKANSAS HOSPITAL ASSOCIATION (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION WALTER JOHNSON (JHA PRESIDENT AND CEO) IS BOARD MEMBER (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $100,000 (D) DESCRIPTION OF TRANSACTION HOSPITAL MEMBERSHIP DUES (A) NAME OF PERSON REBECCA PITTILLO EMPLOYEE OF JRMC (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION FAMILY MEMBER OF SCOTT PITTILLO (JHA DIRECTOR) (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $10,000 (D) DESCRIPTION OF TRANSACTION EMPLOYEE OF JRMC (A) NAME OF PERSON DR MICHELLE ECKERT (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION (JHA DIRECTOR) IS A JOINT OWNER OF JSC, PLLC COMBINED OWNERSHIP > 10% (C) TRANSACTIONS WITH JSC > $100K, (D) DESCRIPTION OF TRANSACTION DIRECTOR & CO-OWNER OF JSC (A) NAME OF PERSON STRONG MANUFACTURING (B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION ENTITY IN WHICH ANNETTE KLINE (JHA DIRECTOR) IS AN OFFICER (C) TRANSACTION AMOUNTS ARE REPORTED AS GREATER THAN $100,000 (D) DESCRIPTION OF TRANSACTION HEALTH CARE PAYMENTS

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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
JEFFERSON HOSPITAL ASSOCIATION INC

Employer identification number
71-0329353

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No

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) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) JEFFERSON SURGERY CENTER PLLC 1600 W 40TH STREET PINE BLUFF, AR 71602 71-0810564	AMB SURGERY	AR	JEFFERSON HOSPITAL ASSOCIATION	RELATED	173,662	1,104,934		No		Yes		62 500 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) JRMC DEVELOPMENT CORP 1600 W 40TH STREET PINE BLUFF, AR 71602 71-0810564	REAL ESTATE MANAGEMENT	AR	JEFFERSON HOSPITAL ASSOCIATION	C	-189,961	17,887,839	100 000 %
(2) JEFFERSON MANAGEMENT SERVICES INC 1600 W 40TH STREET PINE BLUFF, AR 71602 71-0582753	PHYSICIAN PRACTICE MANAGEMENT	AR	JEFFERSON HOSPITAL ASSOCIATION	C	89,589	417,906	100 000 %

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

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
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	Yes	
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	Yes	
k Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
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		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p		No
q Other transfer of cash or property to related organization(s)	1q	Yes	
r Other transfer of cash or property from related organization(s)	1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(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	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 71-0329353
Name: JEFFERSON HOSPITAL ASSOCIATION INC

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	JEFFERSON SURGERY CENTER	K	1,720,285	GL ACTIVITY
(2)	JEFFERSON SURGERY CENTER	L	974,160	GL ACTIVITY
(3)	JEFFERSON SURGERY CENTER	Q	1,021,870	GL ACTIVITY
(4)	JEFFERSON SURGERY CENTER	R	1,727,421	GL ACTIVITY
(5)	JEFFERSON SURGERY CENTER	F	16,190	GL ACTIVITY
(6)	JRMC DEVELOPMENT CORPORATION	J	691,655	GL ACTIVITY
(7)	JRMC DEVELOPMENT CORPORATION	K	266,562	GL ACTIVITY
(8)	JRMC DEVELOPMENT CORPORATION	A	1,534,722	GL ACTIVITY
(9)	JRMC DEVELOPMENT CORPORATION	Q	1,019,337	GL ACTIVITY
(10)	JRMC DEVELOPMENT CORPORATION	R	1,159,345	GL ACTIVITY
(11)	JEFFERSON MANAGEMENT SERVICES INC	K	304,839	GL ACTIVITY
(12)	JEFFERSON MANAGEMENT SERVICES INC	R	589,209	GL ACTIVITY

JEFFERSON HOSPITAL ASSOCIATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

JEFFERSON HOSPITAL ASSOCIATION, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2012 AND 2011

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Jefferson Hospital Association, Inc
Pine Bluff, Arkansas

We have audited the accompanying consolidated balance sheets of Jefferson Hospital Association, Inc as of June 30, 2012 and 2011, 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 Association's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jefferson Hospital Association, Inc as of June 30, 2012 and 2011, and the consolidated results of its operations, changes in its net assets and its cash flows for the years then ended in conformity with U S generally accepted accounting principles

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

As discussed in Note 1 to the consolidated financial statements, Jefferson Hospital Association, Inc has adopted the accounting standard update on the Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts in the consolidated financial statements

CliftonLarsonAllen LLP

St Louis, Missouri
August 31, 2012

JEFFERSON HOSPITAL ASSOCIATION, INC.
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2012 AND 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash	$ 19,623,729	$ 61,785,300
Current Portion of Assets Limited as to Use	232,159	218,768
Patient Accounts Receivable, Net	18,550,228	15,950,104
Estimated Third-Party Payor Program Receivables	2,530,232	3,062,912
Other Receivables	2,825,578	1,031,215
Current Portion of Notes Receivable	428,513	6,628,241
Supplies	5,115,152	4,800,243
Prepaid Expenses	2,898,473	2,505,765
Total Current Assets	52,204,064	95,982,548
ASSETS LIMITED AS TO USE		
Internally Designated for Capital Improvements	97,282,505	41,818,984
Held by Trustee Under Indenture Agreement	232,159	218,768
Total Assets Limited as to Use	97,514,664	42,037,752
Less Current Portion	(232,159)	(218,768)
Assets Limited as to Use, Net of Current Portion	97,282,505	41,818,984
PROPERTY AND EQUIPMENT, NET	76,943,578	79,561,865
OTHER ASSETS		
Notes Receivable, Net of Current Portion	1,383,918	1,652,850
Investment in Affiliates	1,173,892	1,169,483
Deferred Financing Costs, Net	589,885	345,705
Other	736,257	597,868
Total Other Assets	3,883,952	3,765,906
Total Assets	$ 230,314,099	$ 221,129,303

See accompanying Notes to Consolidated Financial Statements

LIABILITIES AND NET ASSETS	2012	2011
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 1,265,000	$ 1,135,000
Trade Accounts Payable	6,201,913	5,424,182
Accrued Employee Leave	4,760,769	4,387,169
Accrued Interest Expense	86,340	123,535
Accrued Expenses	17,552,921	15,304,507
Estimated Third-Party Payor Settlements Payable	6,992,929	7,236,026
Current Deferred Revenue and Gains	691,806	2,135,272
Total Current Liabilities	37,551,678	35,745,691
LONG-TERM DEBT, Less Current Maturities	24,218,245	24,551,548
DEFERRED REVENUE AND GAINS, Net of Current Portion	2,663,706	1,345,230
OTHER LONG-TERM LIABILITIES	736,257	597,868
Total Liabilities	65,169,886	62,240,337
NET ASSETS		
Unrestricted		
Undesignated	67,198,747	116,342,949
Board Designated	97,282,505	41,818,984
Noncontrolling Interest in Subsidiary	662,961	727,033
Total Unrestricted Net Assets	165,144,213	158,888,966
Total Liabilities and Net Assets	$ 230,314,099	$ 221,129,303

JEFFERSON HOSPITAL ASSOCIATION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT		
Patient Service Revenue (net of contractual allowances and discounts)	$ 179,126,987	$ 180,229,388
Provision for Bad Debts	(6,849,046)	(5,316,947)
Net Patient Service Revenue, Less Provision for Bad Debts	172,277,941	174,912,441
Other Revenue	10,812,187	10,232,301
Total Unrestricted Revenues, Gains and Other Support	183,090,128	185,144,742
EXPENSES		
Salaries and Wages	75,935,817	73,856,960
Employee Benefits	14,778,047	14,638,737
Professional Fees	14,850,590	14,389,170
Supplies	30,265,330	33,134,539
Purchased Services	14,881,824	14,167,740
Agency Personnel	90,857	148,642
Utilities	3,144,526	2,920,762
Insurance	2,831,624	3,189,801
Other	8,734,663	8,797,728
Interest	1,358,200	1,542,557
Depreciation and Amortization	10,742,786	11,095,874
Provision for Bad Debts	41,518	(15,064)
Total Expenses	177,655,782	177,867,446
OPERATING INCOME	5,434,346	7,277,296
OTHER INCOME AND EXPENSE		
Investment Income	896,835	1,580,116
Earnings from Investment in Affiliates	685,997	856,819
Loss on Bond Refinancing	(422,030)	-
Total Other Income and Expense	1,160,802	2,436,935
EXCESS OF REVENUES OVER EXPENSES	6,595,148	9,714,231
Change in Unrealized Gains and Losses on Investments	(747,357)	1,982,955
Contributions of Property and Equipment	577,201	141,186
Distributions to Members	(169,745)	(75,000)
INCREASE IN UNRESTRICTED NET ASSETS	$ 6,255,247	$ 11,763,372

See accompanying Notes to Consolidated Financial Statements

JEFFERSON HOSPITAL ASSOCIATION, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2012 AND 2011

	Unrestricted Net Assets	Noncontrolling Interest	Total Unrestricted Net Assets
UNRESTRICTED NET ASSETS - JUNE 30, 2010	$ 146,520,276	$ 605,318	$ 147,125,594
CHANGE IN NET ASSETS			
Excess of Revenues Over Expenses	9,517,516	196,715	9,714,231
Change in Unrealized Gains and Losses on Investments	1,982,955	-	1,982,955
Contributions of Property and Equipment	141,186	-	141,186
Distributions to Members	-	(75,000)	(75,000)
Increase in Unrestricted Net Assets	11,641,657	121,715	11,763,372
UNRESTRICTED NET ASSETS - JUNE 30, 2011	$ 158,161,933	$ 727,033	$ 158,888,966
CHANGE IN NET ASSETS			
Excess of Revenues Over Expenses	6,489,475	105,673	6,595,148
Change in Unrealized Gains and Losses on Investments	(747,357)	-	(747,357)
Contributions of Property and Equipment	577,201	-	577,201
Distributions to Members	-	(169,745)	(169,745)
Increase (Decrease) in Unrestricted Net Assets	6,319,319	(64,072)	6,255,247
UNRESTRICTED NET ASSETS - JUNE 30, 2012	$ 164,481,252	$ 662,961	$ 165,144,213

See accompanying Notes to Consolidated Financial Statements

JEFFERSON HOSPITAL ASSOCIATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
JUNE 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Unrestricted Net Assets	$ 6,255,247	$ 11,763,372
Adjustments to Reconcile Increase in Unrestricted Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	10,672,387	11,095,874
Forgiveness of Physician Loan Agreements	632,484	671,384
(Gain) Loss on Disposal of Property and Equipment	(766,416)	60,245
Loss on Bond Refinancing	422,030	-
Unrealized Gains and Losses on Investments	747,357	(1,982,955)
Investment Income	(896,835)	(1,580,116)
Earnings from Investment in Affiliates	(685,997)	(856,819)
Contributions of Property and Equipment	(577,201)	(141,186)
Provision for Bad Debts	6,890,564	5,301,883
Distributions to Members	169,745	75,000
(Increase) Decrease in		
Patient Accounts Receivable	(9,451,233)	(3,014,719)
Estimated Third-Party Payor Program Receivables	532,680	(689,522)
Other Receivables	(1,542,505)	(308,823)
Supplies	(314,909)	702,271
Prepaid Expenses	(431,858)	(66,119)
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	3,361,021	1,528,475
Accrued Interest Expense	(37,195)	(4,928)
Estimated Third-Party Payor Settlements Payable	(243,097)	66,304
Deferred Revenue and Gains	(168,105)	(225,224)
Net Cash Provided by Operating Activities	14,568,164	22,394,397
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Internally Designated for Capital Improvements	(55,341,246)	303,425
Change in Held by Trustee Under Indenture Agreement	(13,391)	(200)
Purchase of Property and Equipment	(5,796,233)	(7,123,157)
Proceeds from Sale of Property and Equipment	26,852	28,055
Advances on Physician Loan Agreements	(118,000)	(48,382)
Principal Payments Received on Notes Receivable	4,854,988	58,967
Change in Accrued Interest on Notes Receivable	28,887	(28,775)
Dividend Distributions from Investment in Affiliates	682,583	596,088
Net Cash Used by Investing Activities	(55,675,560)	(6,213,979)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(26,284,999)	(1,075,000)
Proceeds From Issuance of Long-Term Debt	26,013,414	-
Payment of Deferred Financing Costs	(612,845)	-
Other Financing Activities	-	30,077
Distributions to Members	(169,745)	(75,000)
Net Cash Used by Financing Activities	(1,054,175)	(1,119,923)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(42,161,571)	15,060,495
Cash and Cash Equivalents - Beginning of Year	61,785,300	46,724,805
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 19,623,729	$ 61,785,300
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	$ 1,321,005	$ 1,537,629

See accompanying Notes to Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Jefferson Hospital Association, Inc (the Association) provides a wide range of health care services to patients from Jefferson County and surrounding areas in southeast Arkansas All material intercompany accounts and transactions have been eliminated in consolidation The consolidated financial statements include the following divisions and companies

Organization	Primary Business Activity	Tax Status
Jefferson Regional Medical Center	Acute Care Medical Center	Division of JHA (a 501(c)(3))
Jefferson Management Services, Inc	Physician Practice Management	For-Profit Corporation
Jefferson Regional Medical Center Development, Inc	Practice Office Space Sold and Leased to Physicians and Other Third Parties	For-Profit Corporation
Jefferson Surgery Center, PLLC	Ambulatory Surgery Center Majority owned by JHA	Professional Limited Liability Company

During the years ended June 30, 2012 and 2011, the Association had investments in the following unconsolidated subsidiaries, which are accounted for using the equity method

Entity
Arkansas Preferred Provider Organization, Inc
Premier Purchasing Partners, L P
Hospice Home Care of Pine Bluff, P L L C
Jefferson Regional Home Care, L L C

Adoption of Accounting Standard Update

During 2012 the Association early adopted an accounting standard update "Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts" in the consolidated financial statements which would have become effective for 2013 The update results in net patient service revenue being presented net of the provision for bad debts for patient accounts the Association did not believe were collectible at the time the service was provided The change in the presentation results in net patient service revenue (after any provision for bad debts) that is more consistent to the actual revenue that the Association expects to collect The added disclosures will assist the users of the consolidated financial statements to better understand how the Association recognizes patient service revenue and assesses bad debts This standard was retroactively applied to the consolidated financial statements for the year ending June 30, 2011 The early adoption has no impact, other than presentation, on the consolidated financial statements for the fiscal year ended June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Patient Accounts Receivable

The Association reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others The Association provides an allowance for doubtful accounts and accounts expected to be identified for charity care based upon a review of outstanding receivables, historical collection information and existing economic conditions As a service to the patient, the Association bills third-party payors directly and bills the patient when the patient's liability is determined Patient accounts receivable are due in full when billed Accounts are considered delinquent and subsequently written off as bad debts or charity care based on individual credit evaluation and specific circumstances of the account For the years ending June 30, 2012 and 2011, there were no significant changes in the underlying assumptions used in estimating allowance for uncollectible and charity accounts or in the policies regarding uncollectible accounts or charity care At June 30, 2012 and 2011, the allowance for uncollectible and charity accounts was approximately $20,221,000 and $20,292,000, respectively

Supplies

Supplies are stated at the lower of cost, determined using the average cost method, or market

Investments and Investment Income

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

Assets Limited as to Use

Assets limited as to use include assets set aside by the board of directors for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes Assets limited as to use also include restricted assets held under long-term debt agreements Amounts required to meet current liabilities of the Association have been reclassified to current assets in the consolidated balance sheets at June 30, 2012 and 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment acquisitions are recorded at cost Depreciation is recorded over the estimated useful life of each class of depreciable asset and is computed using the straight-line method

Gifts and grants of long-lived assets such as land, buildings or equipment are reported as additions to unrestricted net assets, and are excluded from excess of revenues over expenses, unless explicit donor stipulations specify how the donated assets must be used Gifts and grants of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts and grants of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service

Deferred Financing Costs

Financing costs incurred in connection with the issuance of Series 2011 Hospital Revenue and Refunding Bonds in the amount of $612,845 are being amortized over the life of the related bonds using the straight-line method which approximates the effective interest method At June 30, 2012, accumulated amortization was $22,960 In addition, the remaining unamortized issue costs of $341,451 from the Series 2001 Hospital Revenue Improvement and Refinancing Bonds refinanced were recorded as a component of the loss on bond refinancing on the statement of operations for the year ending June 30, 2012

Investment in Affiliates

The investments in affiliates are accounted for using the equity method Under the equity method the Association recognizes the original investment in the affiliate adjusted by the Association's percentage of the affiliate's profit or loss and any contributions or distributions

Accrued Expenses

The Association has recorded significant estimates on its balance sheets in Accrued Expenses to recognize various unpaid operating liabilities These estimates are made through analysis of the recognized revenues and expenses of the organization, historic financial results and other factors

Excess of Revenues over Expenses

The consolidated statement of operations includes 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, permanent transfers of assets to and from affiliates for other than goods and services, contributions and grants of long-lived assets (including assets acquired using contributions which by donor or grantor restriction were to be used for the purposes of acquiring such assets)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Patient Service Revenue

The Association has agreements with third-party payors that provide for payments to the Association at amounts different from its established rates Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments 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 are adjusted in future periods as final settlements are determined

Charity Care

The Association provides care without charge to patients meeting certain criteria under its charity care policy The criteria is based on federal poverty guidelines and uses patients' income information to determine amounts of free or discounted care on a tiered scale Primarily, this information is obtained from patients through an application process, but the Association also utilizes presumptive data to make assessments of patients' ability to pay in order to qualify individuals under the policy Because the Association does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue The total estimated cost of charity care provided by the Association was approximately $12,183,000 and $11,886,000 for the fiscal years ended June 30, 2012 and 2011, respectively

Electronic Health Record Incentive Payments

As discussed in Note 10, the Association received funds under the Electronic Health Records (EHR) Incentive Program during 2012 and 2011 The Association recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured the Association will meet all meaningful use objectives and when any other specific grant requirements that are applicable are met

Income Taxes

The Association has been recognized as exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law However, the Association is subject to federal income tax on any unrelated business taxable income

The Association applies the income tax standard for uncertain tax positions This standard clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements This standard prescribes recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized

The Association's for-profit subsidiary, Jefferson Management Services, Inc , has approximately $3 8 million in net operating loss carryforwards at June 30, 2012 which are available to be directly offset against future taxable income

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Association's for-profit subsidiary, Jefferson Regional Medical Center Development, Inc , has approximately $3 2 million in net operating loss carryforwards at June 30, 2012 which are available to be directly offset against future taxable income

The deferred tax assets relating to these carryforwards have been offset by a 100% allowance

The Association's majority owned professional limited liability company, Jefferson Surgery Center, PLLC is treated as a partnership for federal income tax purposes Consequently, federal income taxes are not payable by, or provided for, by Jefferson Surgery Center, PLLC

The Association's income tax returns are subject to review and examination by federal, state, and local authorities The Association is not aware of any activities that would jeopardize its tax-exempt status The Association is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes that are not currently being recognized The tax returns for tax years 2009 to 2011 are open to examination by federal, local, and state authorities

Fair Value Measurement

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard The Association emphasizes that fair value is a market-based measurement, not an entity-specific measurement Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The Association also adopted the policy of valuing certain financial instruments at fair value This accounting policy allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis The Association has not elected to measure any existing financial instruments at fair value, however may elect to measure newly acquired financial instruments at fair value in the future

Available for Sale securities are recorded at fair value on a recurring basis Fair value measurement is based upon quoted prices, if available If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U S Treasury and other U S government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets Securities valued using Level 2 inputs include private collateralized mortgage obligations, municipal bonds, and corporate debt securities The Association does not have any securities that are valued using Level 3 inputs See disclosure of input levels relating to Available for Sale securities in Note 16 of the consolidated financial statements

Subsequent Events

In preparing these consolidated financial statements, the Association has considered events and transactions that have occurred through August 31, 2012, which is the date the consolidated financial statements were available to be issued

NOTE 2 NET PATIENT SERVICE REVENUE

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

Medicare

Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per inpatient discharge or outpatient visit These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based on the patients' acuity Certain inpatient non-acute services and defined medical education costs are paid based on a cost reimbursement methodology The Association is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Association and audits thereof by the Medicare administrative contractor

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology, subject to certain cost limitations The Association is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Association and audits thereof by the Medicaid fiscal intermediary Outpatient services rendered to Medicaid program beneficiaries are paid based on defined allowable charges

The Association receives supplemental Medicaid funds under the Arkansas Medicaid programs' Upper Payment Limit (UPL) provisions Total funds awarded under this program were $1,232,575 and $1,153,324 for the years ended June 30, 2012 and 2011, respectively, included in net patient service revenue on the consolidated statement of operations

The Association participates in the provider assessment program as a part of the Arkansas State Medicaid Plan This program assesses a fee of no more than 1% on the net patient service revenue of private hospitals and allocates the proceeds to supplement Medicaid payments The federal government matches the assessment amount at a rate of approximately 3 to 1 and these amounts are allocated to private hospitals in Arkansas based on each hospital's share of the total of these hospitals' Medicaid discharges and outpatient Medicaid payments Based on its status as a private hospital, the Association participates in this program and records the assessed fees and the supplemental payments as expenses and net patient service revenues in the period incurred or earned, respectively Amounts recorded for expected assessment payments and receipts under this program for the years ended June 30, 2012 and 2011, were approximately $2,443,000 and $1,810,000 and $8,908,000 and $8,356,000, respectively

Other

The Association has also entered into payment agreements with Blue Cross and Blue Shield and other commercial insurance carriers The basis for reimbursement under these agreements includes discounts from established charges and prospectively determined rates

Uninsured

For uninsured patients that do not qualify for charity care, the Association recognizes revenue on the basis of its standard rates for services provided On the basis of historical experience, a significant portion of the Association's uninsured patients will be unable or unwilling to pay for the services provided Thus, the Association records a significant provision for bad debts related to uninsured patients in the period the services are provided

NOTE 2 NET PATIENT SERVICE REVENUE (CONTINUED)

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Approximately 65% and 64% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2012 and 2011, respectively

Net patient service revenue recognized for the years ended June 30, 2012 and 2011 are as follows

	2012	2011
Net Patient Service Revenue (net of contractual allowances and discounts) From		
Third Party Payors	$ 173,002,643	$ 175,532,560
Uninsured Patients	6,124,344	4,696,828
	179,126,987	180,229,388
Provision for Bad Debts	(6,849,046)	(5,316,947)
Net Patient Service Revenue, Less Provision for Bad Debts	$ 172,277,941	$ 174,912,441

NOTE 3 CONCENTRATIONS OF CREDIT RISK

Patient Accounts Receivable

The Association grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payor agreements The mix of net receivables from patients and third-party payors at June 30, 2012 and 2011 is

	2012	2011
Medicare	40 %	39 %
Medicaid	5	3
Other Third-Party Payors	54	57
Patients	1	1
Total	100 %	100 %

FDIC Coverage

The Association's bank account balances were insured, without limit, for the years ending June 30, 2012 and 2011 under programs available for low-interest and non-interest bearing transaction accounts Certain cash balances are routinely invested in overnight repurchase agreements that are not covered by FDIC insurance programs The repurchase agreements are collateralized by pledges of specific securities by the Association's financial institution

NOTE 4 INVESTMENTS AND INVESTMENT INCOME

Assets Limited as to Use

The composition of assets limited as to use at June 30, 2012 and 2011 is shown in the following table Investments are stated at fair value

	2012	2011
Internally Designated for Capital Improvements		
Cash and Short-Term Investments	$ 40,301,969	$ 3,662,437
U S Treasury and Government Agency Obligations	33,869,992	23,262,433
Corporate Obligations	2,050,945	2,635,878
Equity Securities and Mutual Funds	20,861,583	12,087,330
Accrued Investment Income Receivable	198,016	170,906
	97,282,505	41,818,984
Held by Trustee Under Indenture Agreement		
Cash	232,159	218,768
Total Assets Limited as to Use	$ 97,514,664	$ 42,037,752

Investment Income

Investment income and gains and losses on assets limited as to use, cash and other investments are comprised of the following for the years ended June 30, 2012 and 2011

	2012	2011
Investment Income		
Interest and Dividend Income	$ 1,193,198	$ 1,241,492
Realized Gain (Loss) on Investments	(296,363)	338,624
	$ 896,835	$ 1,580,116
Other Changes in Unrestricted Net Assets		
Change in Unrealized Gains and Losses on Investments	$ (747,357)	$ 1,982,955

Unrealized Losses

Certain investments in debt and marketable equity securities are reported in the consolidated financial statements at an amount less than their historical cost

NOTE 4 INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

The following table shows the Association's investments, gross unrealized losses and fair value, aggregated by investment category, at June 30, 2012 and 2011

	2012			
	Expected Recovery		Other-Than-Temporary Decline	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Marketable Certificates of Deposits	$ 1,332,953	$ (7,047)	$ -	$ -
U S Treasury and Govt Agency Obligations	9,878,528	(30,682)	-	-
Corporate Obligations	1,134,576	(1,049)	-	-
Equity Securities and Mutual Funds	8,753,358	(886,454)	437,797	(232,203)
Total	$ 21,099,414	$ (925,232)	$ 437,797	$ (232,203)

	2011			
	Expected Recovery		Other-Than-Temporary Decline	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U S Treasury and Govt Agency Obligations	$ 3,793,625	$ (23,031)	$ -	$ -
Corporate Obligations	102,539	(464)	-	-
Equity Securities and Mutual Funds	3,102,503	(179,332)	741,501	(270,828)
Total	$ 6,998,667	$ (202,827)	$ 741,501	$ (270,828)

Management continually reviews its investment portfolio and evaluates whether declines in the fair value of securities should be considered other than temporary Factored into this evaluation are the general market conditions, the issuer's financial condition and near term prospects, conditions in the issuer's industry, the recommendation of advisors and the length of time and extent to which the market value has been less than cost

Total unrealized losses at June 30, 2012 and 2011 amounted to approximately $1,157,000 and $474,000, respectively Of these amounts, at June 30, 2012 and 2011 approximately $232,000 and $271,000, respectively, are related to unrealized loss positions determined to have experienced impairment in fair value and are therefore recorded as other-than-temporary declines in fair value of investments At June 30, 2012 total unrealized losses of approximately $925,000 are expected to be recovered in future periods as the Association has the intent and ability to hold these investments until further market recovery occurs

NOTE 5 NOTES RECEIVABLE

Notes receivable as of June 30, 2012 and 2011 were as follows

	2012	2011
Physician Loan Agreements	$ 456,104	$ 820,716
Note Receivable - Sale of Fixed Assets	36,039	6,100,682
Note Receivable - Construction Funding	1,313,447	1,323,966
Interest Receivable	6,841	35,727
Total Notes Receivable	1,812,431	8,281,091
Less Current Portion of Notes Receivable	(428,513)	(6,628,241)
Notes Receivable, Net of Current	$ 1,383,918	$ 1,652,850

Physician Loan Agreements

Physician loan agreements consist of amounts advanced or loaned to certain physicians that are either being paid back or amortized as certain criteria are met Amounts forgiven under the physician recruitment agreements were $632,484 and $671,384 for the years ended June 30, 2012 and 2011

Note Receivable - Sale of Fixed Assets

During fiscal year 2008, the Association sold certain fixed assets to an unrelated company in exchange for a note receivable of $6,200,000 calling for certain principal and interest payments The original agreement was extended a number of times as the debtor sought alternative financing During the year ending June 30, 2011 an agreement was reached regarding settlement of the remaining debt for $5,000,000 to cancel the note During the year ending June 30, 2012, the debtor obtained alternative financing and as a result, the Association received a cash payment of $4,809,000 and approximately $191,000 was placed in escrow, pending resolution of certain mortgage liens In addition, other components of the debtor's indebtedness to the Association remain outstanding Collectability of the remaining debt under a continuing indebtedness agreement, net of unrecognized deferred gain on the sale of assets, is not reasonably assured, and an offsetting allowance has been recorded

The original sale in fiscal 2008 resulted in a gain of $1,948,896 This gain was recorded as deferred gain on sale of fixed assets, and is being recognized as income as principal payments under the note agreement and subsequent agreements are received For the years ended June 30, 2012 and 2011 $805,196 and $3,631, respectively, was recognized

NOTE 5 NOTES RECEIVABLE (CONTINUED)

Note Receivable – Construction Funding

Effective November 1, 2006, the Association entered into a note receivable agreement with an unrelated party to provide funding for the construction of an assisted living facility The terms of the note call for 480 monthly principal and interest payments of $7,747 at an annual rate of interest of 6 25% Total interest income earned from the note receivable was $82,450 and $83,086 for the years ended June 30, 2012 and 2011, respectively The note is secured by real and personal property

NOTE 6 INVESTMENT IN AFFILIATES

Investment in affiliates consist of the following as of June 30, 2012 and 2011

	2012	2011
Arkansas Preferred Provider Organization, Inc	$ 777,750	$ 783,306
Premier Purchasing Partners, L P	343,021	321,659
Jefferson Regional Home Care, L L C	53,121	64,518
Hospice Home Care of Pine Bluff, P L L C	-	-
	$ 1,173,892	$ 1,169,483

All investments are recorded on the equity method of accounting that approximates the Association's equity in the underlying book value A description of investment in affiliates at June 30, 2012 and 2011 is as follows

Arkansas Preferred Provider Organization, Inc.

The Association has a 50% equity interest in Arkansas Preferred Provider Organization (APPO), a regional network of doctors, hospitals and other healthcare professionals dedicated to providing appropriate, quality healthcare at affordable rates

A summary of the APPO's unaudited assets, liabilities and results of operations as of June 30, 2012 and 2011 were as follows

	2012	2011
Assets	$ 1,572,393	$ 1,622,104
Liabilities	$ 16,893	$ 55,492
Equity	1,555,500	1,566,612
Total Liabilities and Equity	$ 1,572,393	$ 1,622,104
Revenue	$ 158,136	$ 367,288
Expenses	120,521	162,993
Net Income	$ 37,615	$ 204,295

NOTE 6 INVESTMENT IN AFFILIATES (CONTINUED)

Premier Purchasing Partners, L.P.

The Association is a member of Premier Purchasing Partners, L P , a cooperative of organizations put together to negotiate discount prices on various supplies and other items purchased by the Association For the years ended June 30, 2012 and 2011, the Association received $507,317 and $468,159, respectively, in dividend distributions from Premier Purchasing Partners, L P

Jefferson Regional Home Care, L.L.C.

The Association has a 33% equity interest in Jefferson Regional Home Care, LLC For the years ended June 30, 2012 and 2011 the Association received $174,271 and $127,929 in distributions from Jefferson Regional Home Care, L L C

Hospice Home Care of Pine Bluff, P.L.L.C.

The Association has a 35% equity interest in Hospice Home Care of Pine Bluff, P L L C

NOTE 7 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2012 and 2011 is as follows

	2012	2011
Land and Land Improvements	$ 8,985,302	$ 8,971,232
Buildings and Improvements	108,282,182	107,903,225
Fixed and Movable Equipment	116,466,143	112,622,307
	233,733,627	229,496,764
Less Accumulated Depreciation	(158,588,442)	(151,595,217)
	75,145,185	77,901,547
Construction in Progress	1,798,393	1,660,318
Property and Equipment, Net	$ 76,943,578	$ 79,561,865

Construction in progress as of June 30, 2012 and 2011 consists of various information system implementations and equipment upgrades expected to be completed within the next 12 months

NOTE 8 LONG-TERM DEBT

A summary of long-term debt at June 30, 2012 and 2011 follows

Description	2012	2011
Series 2011 Hospital Revenue Improvement and Refunding Bonds, Interest Ranging from 2 0% to 5 0%, due in varying amounts through 2026, secured by real and personal property and a pledge of the gross receipts of Jefferson Regional Medical Center	$ 24,965,000	$ -
Series 2011 Unamortized Premium	518,245	-
Series 2001 Hospital Revenue Improvement and Refinancing Bonds, Interest Ranging from 4 50% to 5 85%, due in varying amounts through 2026, secured by real and personal property and a pledge of the gross receipts of Jefferson Regional Medical Center, refinanced in 2012 with the proceeds of the Series 2011 Revenue Bonds	-	25,775,000
Series 2001 Unamortized Discount	-	(88,452)
Total Long-Term Debt	25,483,245	25,686,548
Less Current Maturities	(1,265,000)	(1,135,000)
Long-Term Debt, Net of Current Maturities	$ 24,218,245	$ 24,551,548

Refinancing Transaction

During the year ended June 30, 2012, the Association refinanced the Series 2001 bonds with the proceeds from the issuance of Series 2011 bonds The refinancing transaction resulted in a loss of $422,030 included in the consolidated statements of operations for the year ended June 30, 2012 Included in the loss were the remaining unamortized deferred finance costs and discount related to issuance of the Series 2001 bonds

Restrictive Covenants

Under the Series 2011 bonds, the Association must meet certain operational and performance covenants and is limited in the amount of additional debt which can be incurred Management believes the Association was in compliance with all debt covenants as of June 30, 2012 and 2011

NOTE 8 LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on revenue bonds are as follows

Year Ending June 30,	Long-Term Debt
2013	$ 1,265,000
2014	1,305,000
2015	1,345,000
2016	1,395,000
2017	1,450,000
Thereafter	18,205,000
Total	$ 24,965,000

Legal Ownership

The legal ownership of the Hospital premises is held by Jefferson County, Arkansas However, the cost of the premises is reflected on the accompanying consolidated financial statements in that the premises are leased to Jefferson Hospital Association, Inc under a lease agreement expiring December 11, 2040 During the term of the lease, the Association is obligated to operate a general hospital for the residents of Jefferson County, have non-profit status, establish a schedule of charges, admit patients, maintain the hospital and equipment and insure the facility The payments required by the lease are in an amount required to pay for the cost of construction and debt retirement over the term of the lease These payments are recorded as payments against indebtedness of the Association related to construction cost This debt is also reflected on the accompanying consolidated financial statements Under the terms of the Bond Indenture, all rights, title and interest of Jefferson County in the lease, including Jefferson County's right to receive payments of rent there under, is assigned to the Trustee to secure the repayment of the Bonds

NOTE 9 DEFERRED REVENUE AND GAINS

A summary of deferred revenue and gains at June 30, 2012 and 2011 follows

	2012	2011
Software and Implementation Agreement	$ 1,565,622	$ 1,524,534
Medical Equipment Agreement	1,600,360	-
Gain on Sale of Fixed Assets	36,039	1,917,676
Other	153,491	38,292
Total Deferred Revenue and Gains	3,355,512	3,480,502
Less Current Portion of Deferred Revenue and Gains	(691,806)	(2,135,272)
Deferred Revenue and Gains, Net of Current	$ 2,663,706	$ 1,345,230

NOTE 9 DEFERRED REVENUE AND GAINS (CONTINUED)

Software and Implementation Agreement

During the year ended June 30, 2010, the Association entered into an agreement with a software company to receive a suite of various integrated software products, related implementation services and maintenance provided to the Association at a cost lower than market value In consideration, the Association has agreed to showcase the products to the software company's prospective customers The agreement provides for specified minimum visits, calls and other related promotional performance for a term of seven years, ending September 29, 2016

The value of software and services received through June 30, 2012 and 2011 in excess of payments made was $2,006,159 and $1,632,197, respectively Revenue recognized related to assets put into service during the year ended June 30, 2012 and 2011 was $322,539 and $114,200, respectively, and is recognized as a capital contribution, which is a component of the changes in unrestricted net assets

Medical Equipment Agreement

During the year ended June 30, 2012, the Association entered into an agreement with a supplier under which it received medical equipment at no cost in exchange for multiple year purchase commitment (See Note 15) In consideration, the Association agreed to purchase related medical supplies used with the equipment from the supplier for a period of seven years, ending in April 30, 2019

The fair value of equipment and associated licensing received under the agreement is $1,640,000 which was recorded as a deferred gain The deferred gain is being recognized related to this agreement over the seven year purchase commitment period and as a result during the year ending June 30, 2012 $39,640 was recognized The recognized gain is reflected as a component of capital contributions included in the changes in unrestricted net assets Amounts recognized related to the associated fees are included in other operating revenue

Sale of Fixed Assets

As discussed in Note 5 JHA has deferred gains associated with the sale of fixed assets

NOTE 10 OPERATING LEASES

Non-cancellable operating leases for various buildings and equipment related to patient care and support services expire in various years through 2015 Future minimum lease payments at June 30, 2012, were

Year Ending June 30,	Amount
2013	$ 136,692
2014	40,152
2015	3,346
Total	$ 180,190

NOTE 11 ELECTRONIC HEALTH RECORD INCENTIVE PROGRAM

The Electronic Health Record (EHR) incentive program was enacted as part of the American Recovery and Reinvestment Act of 2009 (ARRA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act These Acts provided for incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified EHR technology The incentive payments are made based on a statutory formula and are contingent on the Association continuing to meet the escalating meaningful use criteria

For the first payment year, the Association must attest, subject to an audit, that it met the meaningful use criteria for a continuous 90-day period For the subsequent payment year, the Association must demonstrate meaningful use for the entire year The incentive payments are generally made over a four year period For hospitals that do not start receiving meaningful use payments until federal fiscal year 2014 or 2015, the base payment amount will reduce in subsequent years by ¼, ½, and ¾

The Association demonstrated meaningful use to the Stage 1 criteria for the initial 90-day reporting period during the year ending June 30, 2011 In addition, the Association believes they are reasonably assured of meeting the meaningful use criteria for the second payment year and have elected to ratably recognize revenue during the year ending June 30, 2012 for payments expected after October 2012 As a result, the total of EHR incentive revenue recognized for both Medicare and Medicaid amounted to approximately $2,197,000 and $2,438,000 These amounts are included as other operating revenues in the consolidated statement of operations for the years ending June 30, 2012 and 2011, respectively The final amount of these payments will be determined based on information from the Association's Medicare cost reports and audits thereof by the fiscal intermediary Events could occur that would cause the final payments to differ materially upon final settlement

NOTE 12 DEFINED CONTRIBUTION PENSION PLANS

401(k) Contribution Plan

The Association has established a 401(k) retirement savings plan that permits eligible employees, through a salary deferral election, to have the Association make annual contributions up to 15% of eligible compensation Employee rollover contributions are also permitted The Association makes matching contributions of 25% of employees' salary deferral amounts Salary deferrals that exceed 6% of eligible compensation are not eligible for matching contributions The Association also makes certain discretionary and profit-sharing contributions Association profit-sharing contributions were 3% of eligible compensation for the years ended June 30, 2012 and 2011 Contributions are subject to certain limitations Forfeitures are allocated among participants based upon compensation Total pension plan expense for the years ended June 30, 2012 and 2011 was $2,703,462 and $2,803,583, respectively

NOTE 12 DEFINED CONTRIBUTION PENSION PLANS (CONTINUED)

403(b) Contribution Plan

The Association also sponsors a tax deferred annuity plan ("TDA" or "403(b)") which allows employees to make pre-tax salary contributions in addition to their contributions to the 401(k) Retirement Savings Plan, subject to certain legal limits There was no match or other contribution to the TDA plan by the Association for the years ended June 30, 2012 and 2011

457(b) Contribution Plan

The Association has a deferred compensation plan under which eligible employees receive payments of deferred compensation on retirement or severance from employment The employee withholdings are invested in self-directed investments that are held in the Association's name An investment in self-directed investments and a related liability are reflected on the Association's consolidated financial statements in the amounts of $736,257 and $597,868 at June 30, 2012 and 2011, respectively

NOTE 13 UNCOMPENSATED CARE

In support of its mission, the Association voluntarily provides care to patients that meet the Association's charity care criteria Because the Association does not pursue collection of amounts determined to qualify as charity care, they are not reported in net patient service revenue The Association's criteria is based on federal poverty guidelines and uses patients' income information to determine amounts of free or discounted care on a tiered scale Primarily, this information is obtained from patients through an application process, but the Association also utilizes presumptive data to make assessments of patients' ability to pay in order to qualify individuals under the policy

Charges excluded from revenue under the Association's charity care policy were approximately $64,337,000 and $66,428,000 for the years ended June 30, 2012 and 2011, respectively Included in these amounts are gross charges of $10,353,000 and $12,153,000 for the years ended June 30, 2012 and 2011, from accounts previously considered to be uncollectible and written-off or reserved in provision for bad debts in a prior fiscal year These patient accounts were subsequently qualified for charity care under the Association's financial assistance policy during the years ended June 30, 2012 and 2011, causing a reclassification from current bad debt expense with an increase to the amount of charges excluded from gross revenue for charity care

In addition, the Association provides services to other medically indigent patients under certain government-reimbursed public aid programs Such programs pay providers amounts which are less than established charges for the services provided to the recipients and many times the payments are less than the cost of rendering the services provided

NOTE 13 UNCOMPENSATED CARE (CONTINUED)

The Association's estimated total cost of uncompensated care relating to these services and other services are as follows for the years ended June 30

	2012	2011
Charity Care	$ 12,183,000	$ 11,886,000
State Medicaid and Other Public Aid Programs	3,013,000	3,283,000
Uncollectible Accounts	1,232,000	884,000
Total Cost of Uncompensated Care	$ 16,428,000	$ 16,053,000

The cost of uncompensated care is calculated using the Association's cost accounting system on individual patients for the above services The uncompensated care cost of state Medicaid and other public aid programs is determined by computing the cost of providing that care less amounts paid by the programs

NOTE 14 FUNCTIONAL EXPENSES

The Association provides health care services to residents within its geographic location Expenses related to providing these services by functional class for the years ended June 30, 2012 and 2011 are estimated to be

	2012	2011
Health Care Services	$ 156,111,760	$ 159,217,360
General and Administrative	21,544,022	18,650,086
Total Expenses	$ 177,655,782	$ 177,867,446

NOTE 15 COMMITMENTS AND CONTINGENCIES

Risk Management

The Association is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters The Association is self-insured for workers' compensation and health insurance

General and Medical Malpractice Insurance Coverage and Claims

Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents The Association is insured for general and medical malpractice liability under a claims-made policy on a fixed premium basis for claims not to exceed an individual limit of $250,000 and an aggregate limit of $750,000 annually (less applicable deductibles) The Association relies on the doctrine of charitable immunity which states that charitable, not-for-profit organizations are immune from liability for damages in tort, except to the extent that they may be covered by liability insurance The Association records estimates of amounts in its financial statements to reflect the anticipated settlement of claims against it It is reasonably possible that these estimates could change materially in the near term

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Health Insurance

The Association maintains a self-funded health insurance plan that is administered by a third-party administrator that recommends current funding under the plan At June 30, 2012 and 2011, the Association has estimated a liability of approximately $2,510,000 and $2,300,000 for incurred but unpaid claims, respectively The Association has recognized $6,054,647 and $5,768,546 in total employer health insurance expense for the years ended June 30, 2012 and 2011, respectively

Workers Compensation

The Association maintains a self-funded worker's compensation insurance plan that is administered by a third-party administrator that recommends current funding under the plan At June 30, 2012 and 2011, the Association has estimated a liability of approximately $165,000 and $78,000 for incurred but unpaid claims, respectively The Association has recognized $244,350 and $183,302 in total worker's compensation insurance expense for the years ended June 30, 2012 and 2011, respectively

Litigation

In the normal course of business, the Association is, from time to time, subject to allegations that may or do result in litigation Some of these allegations are in areas not covered by the Association's insurance program (discussed elsewhere in these notes), for example, allegations regarding performance of contracts The Association evaluates such allegations by conducting investigations to determine the validity of each potential claim Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

Healthcare Legislation and Regulation

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers Violation of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed

Management believes that the Association is in substantial compliance with fraud and abuse regulations, as well as other applicable government laws and regulations While no regulatory inquiries have been made, compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time

NOTE 15 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Supply Purchase Commitment

As discussed in Note 9 the Association has committed to purchase medical supplies from a supplier for a period of seven years, ending in April 30, 2019 in exchange for ownership of certain medical equipment at no cost Estimated purchase commitments under this agreement are as follows as of June 30, 2012

Year Ending June 30,	Amount
2013	$ 896,000
2014	766,000
2015	200,000
2016	200,000
2017	200,000
2018	200,000
2019	167,000
Total	$ 2,629,000

NOTE 16 FAIR VALUE MEASUREMENTS

The Association uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures For additional information on how the Association measures fair value refer to Note 1 – Summary of Significant Accounting Policies

The following tables present the fair value hierarchy for the balances of the assets of the Association measured at fair value on a recurring basis as of June 30, 2012 and 2011

	2012			
	Level 1	Level 2	Level 3	Total
Assets Limited as to Use				
U S Treasury and Government Agency Obligations	$ -	$ 33,869,992	$ -	$ 33,869,992
Corporate Obligations	-	2,050,945	-	2,050,945
Equity Securities and Mutual Funds	20,861,583	-	-	20,861,583
	$ 20,861,583	$ 35,920,937	$ -	$ 56,782,520

	2011			
	Level 1	Level 2	Level 3	Total
Assets Limited as to Use				
U S Treasury and Government Agency Obligations	$ -	$ 23,262,433	$ -	$ 23,262,433
Corporate Obligations	-	2,635,878	-	2,635,878
Equity Securities and Mutual Funds	12,087,330	-	-	12,087,330
	$ 12,087,330	$ 25,898,311	$ -	$ 37,985,641

NOTE 16 FAIR VALUE MEASUREMENTS (CONTINUED)

The estimated fair values of financial instruments have been derived, in part, by management's assumptions, the estimated amount and timing of future cash flows, and estimated discount rates Different assumptions could significantly affect these estimated fair values Accordingly, the net realizable value could be materially different from the estimates presented below In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the fair value of the Association

The following disclosures represent financial instruments in which the ending balances at June 30, 2012 and 2011 are not carried at fair value in their entirety on the consolidated balance sheet

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Revenue Bonds Payable	$ 24,965,000	$ 24,669,000	$ 25,775,000	$ 25,891,000

Health Care Facilities Revenue Bonds – The fair value of the health care facilities revenue bonds is calculated based on the estimated trade values as of June 30, 2012 and 2011 The value is estimated using the rates currently offered for like debt instruments with similar remaining maturities

NOTE 17 ADOPTION OF NEW ACCOUNTING STANDARD

During the year ending June 30, 2012 the Association adopted an accounting standard update for the "Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts" in the consolidated financial statements, as described in Note 1 This standard was retroactively applied to the consolidated financial statements for the year ending June 30, 2011 The following table reflects the impact of the reclassifications to the June 30, 2011 consolidated statement of operations

Consolidated Statement of Operations

	As Previously Reported	Reclassifications	As Reclassified
Net Patient Service Revenue, Less Provision for Bad Debts	$ 180,229,338	$ (5,316,897)	$ 174,912,441
Provision for Bad Debts	$ 5,301,883	$ (5,316,947)	$ (15,064)

SUPPLEMENTARY INFORMATION

JEFFERSON HOSPITAL ASSOCIATION, INC.
BALANCE SHEETS BY AFFILIATE
JUNE 30, 2012

ASSETS	Jefferson Regional Medical Center	Jefferson Management Services Inc	JRMC Development Inc	Jefferson Surgery Center, PLLC	Eliminations	Consolidated
CURRENT ASSETS						
Cash	$ 18,572,418	$ 119,668	$ 245,620	$ 686,023	$ -	$ 19,623,729
Current Portion of Assets Limited as to Use	232,159	-	-	-	-	232,159
Patient Accounts Receivable, Net	17,952,593	-	-	597,635	-	18,550,228
Estimated Third-Party Payor Program Receivables	2,530,232	-	-	-	-	2,530,232
Other Receivables	2,446,702	298,238	79,166	1,472	-	2,825,578
Current Portion of Notes Receivable	428,513	-	-	-	-	428,513
Supplies	4,941,179	-	-	173,973	-	5,115,152
Prepaid Expenses	2,797,891	-	44,146	56,436	-	2,898,473
Total Current Assets	49,901,687	417,906	368,932	1,515,539	-	52,204,064
ASSETS LIMITED AS TO USE						
Internally Designated for Capital Improvements	97,282,505	-	-	-	-	97,282,505
Held by Trustee Under Indenture Agreement	232,159	-	-	-	-	232,159
Total Assets Limited as to Use	97,514,664	-	-	-	-	97,514,664
Less Current Portion	(232,159)	-	-	-	-	(232,159)
Assets Limited as to Use, Net of Current Portion	97,282,505	-	-	-	-	97,282,505
DUE FROM (TO) AFFILIATES	30,710,201	(3,979,942)	(26,649,696)	(80,563)	-	-
PROPERTY AND EQUIPMENT, NET	58,914,277	-	17,472,785	562,766	(6,250)	76,943,578
OTHER ASSETS						
Notes Receivable, Net of Current Portion	1,383,918	-	-	-	-	1,383,918
Investment in Affiliates	2,278,826	-	-	-	(1,104,934)	1,173,892
Deferred Financing Costs, Net	589,885	-	-	-	-	589,885
Other	736,257	-	-	-	-	736,257
Total Other Assets	4,988,886	-	-	-	(1,104,934)	3,883,952
Total Assets	$ 241,797,556	$ (3,562,036)	$ (8,807,979)	$ 1,997,742	$ (1,111,184)	$ 230,314,099

JEFFERSON HOSPITAL ASSOCIATION, INC.
BALANCE SHEETS BY AFFILIATE (CONTINUED)
JUNE 30, 2012

LIABILITIES AND NET ASSETS	Jefferson Regional Medical Center	Jefferson Management Services Inc	JRMC Development Inc	Jefferson Surgery Center, PLLC	Eliminations	Consolidated
CURRENT LIABILITIES						
Current Maturities of Long-Term Debt	$ 1,265,000	$ -	$ -	$ -	$ -	$ 1,265,000
Trade Accounts Payable	5,923,083	6,418	138,396	162,670	(28,654)	6,201,913
Accrued Employee Leave	4,611,069	84,998	-	64,702	-	4,760,769
Accrued Interest Expense	86,340	-	-	-	-	86,340
Accrued Expenses	17,232,051	54,768	263,627	2,475	-	17,552,921
Estimated Third-Party Payor Settlements Payable	6,992,929	-	-	-	-	6,992,929
Current Deferred Revenue and Gains	691,806	-	-	-	-	691,806
Total Current Liabilities	36,802,278	146,184	402,023	229,847	(28,654)	37,551,678
LONG-TERM DEBT, Less Current Maturities	24,218,245	-	-	-	-	24,218,245
DEFERRED REVENUE AND GAINS, Net of Current Portion	2,663,706	-	-	-	-	2,663,706
OTHER LONG-TERM LIABILITIES	736,257	-	-	-	-	736,257
Total Liabilities	64,420,486	146,184	402,023	229,847	(28,654)	65,169,886
COMMITMENTS AND CONTINGENCIES						
NET ASSETS						
Unrestricted						
Undesignated	80,094,565	(3,708,220)	(9,210,002)	1,104,934	(1,082,530)	67,198,747
Board Designated	97,282,505	-	-	-	-	97,282,505
Noncontrolling Interest in Subsidiary	-	-	-	662,961	-	662,961
Total Unrestricted Net Assets	177,377,070	(3,708,220)	(9,210,002)	1,767,895	(1,082,530)	165,144,213
Total Liabilities and Net Assets	$ 241,797,556	$ (3,562,036)	$ (8,807,979)	$ 1,997,742	$ (1,111,184)	$ 230,314,099

JEFFERSON HOSPITAL ASSOCIATION, INC.
STATEMENT OF OPERATIONS BY AFFILIATE
YEAR ENDED JUNE 30, 2012

	Jefferson Regional Medical Center	Jefferson Management Services Inc	JRMC Development Inc	Jefferson Surgery Center, PLLC	Eliminations	Consolidated
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT						
Patient Service Revenue (net of contractual allowances and discounts)	$ 175,905,465	$ -	$ -	$ 4,259,876	$ (1,038,354)	$ 179,126,987
Provision for Bad Debts	(6,319,603)	2,063	-	(596,627)	65,121	(6,849,046)
Net Patient Service Revenue, Less Provision for Bad Debts	169,585,862	2,063	-	3,663,249	(973,233)	172,277,941
Other Revenue	9,725,303	123,900	2,276,728	1,141	(1,314,885)	10,812,187
Total Unrestricted Revenues, Gains and Other Support	179,311,165	125,963	2,276,728	3,664,390	(2,288,118)	183,090,128
EXPENSES						
Salaries and Wages	74,925,626	4,260	-	1,005,931	-	75,935,817
Employee Benefits	14,551,771	-	-	226,276	-	14,778,047
Professional Fees	14,935,864	-	-	-	(85,274)	14,850,590
Supplies	29,371,963	-	3,382	889,985	-	30,265,330
Purchased Services	15,399,488	-	190,748	323,216	(1,031,628)	14,881,824
Agency Personnel	90,857	-	-	-	-	90,857
Utilities	2,722,038	-	724,412	-	(301,924)	3,144,526
Insurance	2,719,515	-	85,589	26,520	-	2,831,624
Other	8,241,316	49,083	623,000	682,653	(861,389)	8,734,663
Interest	1,358,199	-	1,569,460	1,924	(1,571,383)	1,358,200
Depreciation and Amortization	9,238,325	-	1,280,250	229,211	(5,000)	10,742,786
Provision for Bad Debts	57,379	-	(15,861)	-	-	41,518
Total Expenses	173,612,341	53,343	4,460,980	3,385,716	(3,856,598)	177,655,782
OPERATING INCOME (LOSS)	5,698,824	72,620	(2,184,252)	278,674	1,568,480	5,434,346
OTHER INCOME AND EXPENSE						
Investment Income	2,465,169	-	2,388	661	(1,571,383)	896,835
Earnings from Investment in Affiliates	859,659	-	-	-	(173,662)	685,997
Loss on Bond Refinancing	(422,030)	-	-	-	-	(422,030)
Total Other Income and Expense	2,902,798	-	2,388	661	(1,745,045)	1,160,802
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	8,601,622	72,620	(2,181,864)	279,335	(176,565)	6,595,148
Change in Unrealized Gains and Losses on Investments	(747,357)	-	-	-	-	(747,357)
Contributions of Property and Equipment	577,201	-	-	-	-	577,201
Distributions to Members	-	-	-	(450,000)	280,255	(169,745)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	$ 8,431,466	$ 72,620	$ (2,181,864)	$ (170,665)	$ 103,690	$ 6,255,247

JEFFERSON HOSPITAL ASSOCIATION, INC.
STATEMENT OF CHANGES IN NET ASSETS BY AFFILIATE
YEAR ENDED JUNE 30, 2012

	Jefferson Regional Medical Center	Jefferson Management Services, Inc	JRMC Development, Inc	Jefferson Surgery Center, PLLC			Eliminations	Consolidated Net Assets
				Unrestricted	Noncontrolling Interest	Total		
UNRESTRICTED NET ASSETS								
Excess (Deficiency) Of Revenues Over Expenses	$ 8,601,622	$ 72,620	$ (2,181,864)	$ 173,662	$ 105,673	$ 279,335	$ (176,565)	$ 6,595,148
Change in Unrealized Gains and Losses on Investments	(747,357)	-	-	-	-	-	-	(747,357)
Contributions of Property and Equipment	577,201	-	-	-	-	-	-	577,201
Distributions to Members	-	-	-	(280,255)	(169,745)	(450,000)	280,255	(169,745)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	8,431,466	72,620	(2,181,864)	(106,593)	(64,072)	(170,665)	103,690	6,255,247
Unrestricted Net Assets, Beginning of Year	168,945,604	(3,780,840)	(7,028,138)	1,211,527	727,033	1,938,560	(1,186,220)	158,888,966
UNRESTRICTED NET ASSETS, END OF YEAR	$ 177,377,070	$ (3,708,220)	$ (9,210,002)	$ 1,104,934	$ 662,961	$ 1,767,895	$ (1,082,530)	$ 165,144,213

JEFFERSON REGIONAL MEDICAL CENTER
A DIVISION OF JEFFERSON HOSPITAL ASSOCIATION, INC.
BALANCE SHEETS
JUNE 30, 2012 AND 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash	$ 18,572,418	$ 60,318,674
Current Portion of Assets Limited as to Use	232,159	218,768
Patient Accounts Receivable, Net	17,952,593	15,312,773
Estimated Third-Party Payor Program Receivables	2,530,232	3,062,912
Other Receivables	2,446,702	743,810
Current Portion of Note Receivable	428,513	6,628,241
Supplies	4,941,179	4,620,638
Prepaid Expenses	2,797,891	2,386,171
Total Current Assets	49,901,687	93,291,987
ASSETS LIMITED AS TO USE		
Internally Designated for Capital Improvements	97,282,505	41,818,984
Held by Trustee Under Indenture Agreement	232,159	218,768
Total Assets Limited as to Use	97,514,664	42,037,752
Less Current Portion	(232,159)	(218,768)
Assets Limited as to Use, Net of Current Portion	97,282,505	41,818,984
DUE FROM AFFILIATES	30,710,201	30,002,926
PROPERTY AND EQUIPMENT, NET	58,914,277	60,513,299
OTHER ASSETS		
Notes Receivable, Net of Current Portion	1,383,918	1,652,850
Investment in Affiliates	2,278,826	2,381,010
Deferred Financing Costs, Net	589,885	345,705
Other	736,257	597,868
Total Other Assets	4,988,886	4,977,433
Total Assets	$ 241,797,556	$ 230,604,629

LIABILITIES AND NET ASSETS	2012	2011
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	$ 1,265,000	$ 1,135,000
Trade Accounts Payable	5,923,083	5,283,278
Accrued Employee Leave	4,611,069	4,253,789
Accrued Interest Expense	86,340	123,535
Accrued Expenses	17,232,051	14,997,479
Estimated Third-Party Payor Settlements Payable	6,992,929	7,236,026
Current Deferred Revenue and Gains	691,806	2,135,272
Total Current Liabilities	36,802,278	35,164,379
LONG TERM-DEBT, Less Current Maturities	24,218,245	24,551,548
DEFERRED REVENUE AND GAINS, Net of Current Portion	2,663,706	1,345,230
OTHER LONG-TERM LIABILITIES	736,257	597,868
Total Liabilities	64,420,486	61,659,025
NET ASSETS		
Unrestricted		
Undesignated	80,094,565	127,126,620
Board Designated	97,282,505	41,818,984
Total Unrestricted Net Assets	177,377,070	168,945,604
Total Liabilities and Net Assets	$ 241,797,556	$ 230,604,629

JEFFERSON REGIONAL MEDICAL CENTER
A DIVISION OF JEFFERSON HOSPITAL ASSOCIATION, INC.
STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT		
Patient Service Revenue (net of contractual allowances and discounts)	$ 175,905,465	$ 176,838,047
Provision for Bad Debts	(6,319,603)	(4,921,811)
Net Patient Service Revenue, Less Provision for Bad Debts	169,585,862	171,916,236
Other Revenue	9,725,303	9,136,999
Total Unrestricted Revenues, Gains and Other Support	179,311,165	181,053,235
EXPENSES		
Salaries and Wages	74,925,626	72,836,930
Employee Benefits	14,551,771	14,410,171
Professional Fees	14,935,864	14,507,050
Supplies	29,371,963	32,068,356
Purchased Services	15,399,488	14,762,176
Agency Personnel	90,857	148,642
Utilities	2,722,038	2,501,860
Insurance	2,719,515	3,078,539
Other	8,241,316	8,389,202
Interest	1,358,199	1,542,553
Depreciation and Amortization	9,238,325	9,575,106
Provision for Bad Debts	57,379	136,275
Total Expenses	173,612,341	173,956,860
OPERATING INCOME	5,698,824	7,096,375
OTHER INCOME AND EXPENSE		
Investment Income	2,465,169	3,109,092
Earnings from Investment in Affiliates	859,659	1,184,679
Loss on Bond Refinancing	(422,030)	-
Total Other Income and Expense	2,902,798	4,293,771
EXCESS OF REVENUES OVER EXPENSES	8,601,622	11,390,146
Change in Unrealized Gains and Losses on Investments	(747,357)	1,982,955
Contributions of Property and Equipment	577,201	141,186
INCREASE IN UNRESTRICTED NET ASSETS	$ 8,431,466	$ 13,514,287

JEFFERSON REGIONAL MEDICAL CENTER
A DIVISION OF JEFFERSON HOSPITAL ASSOCIATION, INC.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
UNRESTRICTED NET ASSETS		
Excess Of Revenues Over Expenses	$ 8,601,622	$ 11,390,146
Change in Unrealized Gains and Losses on Investments	(747,357)	1,982,955
Contributions of Property and Equipment	577,201	141,186
INCREASE IN UNRESTRICTED NET ASSETS	8,431,466	13,514,287
Net Assets, Beginning of Year	168,945,604	155,431,317
NET ASSETS, END OF YEAR	$ 177,377,070	$ 168,945,604

JEFFERSON REGIONAL MEDICAL CENTER
A DIVISION OF JEFFERSON HOSPITAL ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Unrestricted Net Assets	$ 8,431,466	$ 13,514,287
Adjustments to Reconcile Increase in Unrestricted Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	9,184,295	9,575,106
Forgiveness of Physician Loan Agreements	632,484	671,384
(Gain) Loss on Disposal of Property and Equipment	(772,866)	18,120
Loss on Bond Refinancing	422,030	-
Unrealized Gains and Losses on Investments	747,357	(1,982,955)
Investment Income	(2,465,169)	(3,109,092)
Earnings from Investment in Affiliates	(859,659)	(1,184,679)
Contributions of Property and Equipment	(577,201)	(141,186)
Provision for Bad Debts	6,376,982	5,058,086
(Increase) Decrease in		
Patient Accounts Receivable	(8,959,423)	(2,631,827)
Estimated Third-Party Payor Program Receivables	532,680	(689,522)
Other Receivables	(1,470,082)	(205,140)
Supplies	(320,541)	660,013
Prepaid Expenses	(450,870)	(28,503)
Increase (Decrease) in		
Accounts Payable and Accrued Expenses	3,192,933	1,513,620
Accrued Interest Expense	(37,195)	(4,928)
Estimated Third-Party Payor Settlements Payable	(243,097)	66,304
Deferred Revenue and Gains	(168,105)	(225,224)
Net Cash Provided by Operating Activities	13,196,019	20,873,864
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Internally Designated for Capital Improvements	(55,341,248)	302,240
Change in Held by Trustee Under Indenture Agreement	(13,391)	(200)
Purchase of Property and Equipment	(5,300,987)	(6,702,291)
Proceeds from Sale of Property and Equipment	6,883	43,055
Advances on Physician Loan Agreements	(118,000)	(48,382)
Principal Payments Received on Notes Receivable	4,854,988	58,965
Change in Accrued Interest on Notes Receivable	28,887	(28,775)
Dividend Distributions from Investment in Affiliates	962,838	721,088
Due from Affiliates	862,185	159,373
Net Cash Used by Investing Activities	(54,057,845)	(5,494,927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(26,285,000)	(1,075,000)
Proceeds From Issuance of Long-Term Debt	26,013,415	-
Payment of Deferred Financing Costs	(612,845)	-
Other Financing Activities	-	29,106
Net Cash Used by Financing Activities	(884,430)	(1,045,894)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(41,746,256)	14,333,043
Cash and Cash Equivalents - Beginning of Year	60,318,674	45,985,631
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 18,572,418	$ 60,318,674
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Payments for Interest	$ 1,321,005	$ 1,537,629