See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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 08-01-2011 and ending 07-31-2012

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

C Name of organization
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 3770

City or town, state or country, and ZIP + 4
ALBANY, GA 31706

D Employer identification number
58-1928247

E Telephone number
(229) 312-1000

G Gross receipts $ 525,037,861

F Name and address of principal officer
JOEL WERNICK CEO
PO BOX 3770
ALBANY, GA 31706

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 PHOEBEPUTNEY COM

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

L Year of formation 1990

M State of legal domicile GA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO DELIVER SUPERIOR HEALTH CARE SERVICES THAT IMPROVES THE HEALTH AND WELLNESS OF THE PEOPLE AND COMMUNITIES WE SERVE

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,785
6	Total number of volunteers (estimate if necessary)	**6**	658
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,293,693	3,126,514
9	Program service revenue (Part VIII, line 2g)	492,364,346	510,591,665
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,220,918	1,124,284
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,489,887	9,422,427
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	505,368,844	524,264,890
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	302,529	127,440
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	190,449,940	192,158,448
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	306,394,774	315,433,170
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	497,147,243	507,719,058
19	Revenue less expenses Subtract line 18 from line 12	8,221,601	16,545,832

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	637,885,656	675,940,460
21	Total liabilities (Part X, line 26)	420,704,620	508,001,294
22	Net assets or fund balances Subtract line 21 from line 20	217,181,036	167,939,166

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

****** | 2013-05-28
Signature of officer | Date

KERRY LOUDERMILK PPHS CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's taxpayer identification number (see instructions)
LINTON A HARRIS	2013-05-24	☑	

Firm's name (or yours if self-employed), address, and ZIP + 4
DRAFFIN & TUCKER LLP
PO BOX 71309
ALBANY, GA 317081309

EIN ▶

Phone no ▶ (229) 883-7878

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

TO DELIVER SUPERIOR HEALTH CARE SERVICES THAT IMPROVES THE HEALTH AND WELLNESS OF THE PEOPLE AND COMMUNITIES WE SERVE

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 $ 380,981,448 including grants of $ 127,440) (Revenue $ 514,546,894)

PHOEBE PUTNEY MEMORIAL HOSPITAL IS A 461-BED ACUTE CARE HOSPITAL, WITH PATIENT DAYS OF 103,366 IN THE CURRENT YEAR INTENSIVE CARE, NEONATAL INTENSIVE CARE, NURSERY, REHAB, AND PSYCHIATRY SERVICES ARE INCLUDED IN THE SERVICES PROVIDED THE HOSPITAL ALSO OPERATES A HOME HEALTH AGENCY AND A 12 BED HOSPICE OTHER 21,214 INPATIENT ADMISSIONS, 12,771 SURGERIES, 2,677 BIRTHS, 56,503 EMERGENCY VISITS, AND 711,108 CLINIC VISITS SEE ATTACHMENT FOR FORM 990, PART III, WHICH INCLUDES DETAILED DISCUSSIONS ON ALL CHARITABLE AND COMMUNITY ACTIVITIES OF THE HOSPITAL

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** ▶ $ 380,981,448

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	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, 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	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
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**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
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**		No
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**		No
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**	370		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	3,785		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
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		No
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 ▶ GA

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you 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 ▶

KERRY LOUDERMILK CFO
PO BOX 3770
ALBANY, GA 31706
(229) 312-4068

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) JOEL WERNICK CEO/PRES/BRD	25 00	X		X				0	1,035,176	841,951
(2) SALLY WHATLEY PHD BOARD MEMBER	1 00	X						0	0	0
(3) JOHN CULBREATH CHAIRMAN	1 00	X		X				0	0	0
(4) BERNARD P SCOGGINS MD BOARD MEMBER	1 00	X						0	0	0
(5) MARY HELEN DYKES VICE CHAIRMA	1 00	X		X				0	0	0
(6) HASAN RIZVI MD BOARD MEMBER	1 00	X						0	0	0
(7) STEVEN WOLINSKY MD BOARD MEMBER	1 00	X						0	0	0
(8) KIMBERLY FIELDS PHD BOARD MEMBER	1 00	X						0	0	0
(9) RON WALLACE BOARD MEMBER	1 00	X						0	0	0
(10) MARK LANE BOARD MEMBER	1 00	X						0	0	0
(11) TIM DILL BOARD MEMBER	1 00	X						0	0	0
(12) CLAY BANKS BOARD MEMBER	1 00	X						0	0	0
(13) KAREN ILER BOARD MEMBER	1 00	X						0	0	0
(14) JOE AUSTIN SVP/COO	25 00			X				0	574,687	99,865
(15) KERRY LOUDERMILK SVP/CFO	25 00			X				0	536,274	117,147
(16) THOMAS CHAMBLESS SVP GEN COUN	25 00				X			0	490,756	22,219
(17) DOUG PATTEN SVP CMO	25 00				X			0	438,118	90,593

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) JOHN FISCHER SVP FACILITI	50 00				X			434,719	0	9,295
(19) LAURA SHEARER SVP CNO	50 00				X			321,525	0	57,086
(20) DAVID BARANSKI SVP HR	50 00				X			0	299,878	58,930
(21) THOMAS SULLIVAN SVP STRATEGI	25 00				X			267,824	0	43,378
(22) DOUG CALHOUN CHIEF MIO	50 00					X		321,056	0	15,961
(23) BRITT BOONE CRNA	50 00					X		265,473	0	19,712
(24) WILLIAM BUNTIN CRNA	50 00					X		239,531	0	20,245
(25) MARY WILLIAMS CRNA	50 00					X		237,410	0	11,185
(26) JOEY POWELL CRNA	50 00					X		231,445	0	21,227

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,318,983	3,374,889	1,428,794

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 ▶156

			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
PELLICANO COMPANY 415 PINE AVE SUITE 200 ALBANY, GA 31702	CONSTRUCTION	3,532,453
SOUTHWESTERN EMERGENCY PHYSICIANS PO BOX 111 ALBANY, GA 31702	CONTRACT LABOR	2,825,750
CROTHALL 955 CHESTERBROOK BLVD SUITE 300 WAYNE, PA 19087	STAFFING	2,517,714
PINSTRIPE 200 SOUTH EXECUTIVE DR SUITE 400 BROOKFIELD, WI 53005	CONSULTING	1,769,029
ROBINS & MORTON 400 SHADE CREEK PARKWAY BIRMINGHAM, AL 35209	CONSTRUCTION	1,532,633

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 ▶89

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	2,946,328			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	180,186			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		3,126,514			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	623000	510,591,665	510,591,665		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		510,591,665			
	3	Investment income (including dividends, interest and other similar amounts)		1,124,284			1,124,284
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	1,099,869				
	b	Less rental expenses					
	c	Rental income or (loss)	1,099,869				
	d	Net rental income or (loss)		1,099,869			1,099,869
			(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					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19 a					
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances a	570,433				
	b	Less cost of goods sold b	772,971				
	c	Net income or (loss) from sales of inventory		-202,538			-202,538
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA SALES	722210	2,437,972			2,437,972
	b	MEDICAL RECORDS FEES	561499	1,489,115	1,489,115		
	c	MISCELLANEOUS REVENUE	561300	1,483,206	1,483,206		
	d	All other revenue		3,114,803	982,908		2,131,895
	e	**Total.** Add lines 11a–11d		8,525,096			
	12	**Total revenue.** See Instructions		524,264,890	514,546,894		6,591,482

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				
2	Grants and other assistance to individuals in the United States See Part IV, line 22	127,440	127,440		
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	909,290		909,290	
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	146,172,963	132,829,882	13,343,081	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	16,540,040	14,937,299	1,602,741	
9	Other employee benefits	17,932,619	16,194,936	1,737,683	
10	Payroll taxes	10,603,536	9,576,046	1,027,490	
11	Fees for services (non-employees)				
a	Management	27,875,344	3,767,420	24,107,924	
b	Legal	3,634,495	65,141	3,569,354	
c	Accounting	337,198		337,198	
d	Lobbying	176,544		176,544	
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	52,996,703	32,398,753	20,597,950	
12	Advertising and promotion	2,646,622	805,457	1,841,165	
13	Office expenses	67,631,401	65,711,347	1,920,054	
14	Information technology	1,157,599	325,133	832,466	
15	Royalties . .				
16	Occupancy	6,084,037	4,756,037	1,328,000	
17	Travel	1,765,836	1,561,471	204,365	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	5,660,312		5,660,312	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	25,425,812	19,875,357	5,550,455	
23	Insurance	5,957,137	57,994	5,899,143	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBTS	43,996,875	43,996,875		
b	PPG ALLOCATED COST	28,566,854		28,566,854	
c	MEDICAL SUPPLIES	20,887,765	20,886,132	1,633	
d	REPAIRS & MAINTENANCE	13,688,641	6,584,633	7,104,008	
e					
f	All other expenses	6,943,995	6,524,095	419,900	
25	**Total functional expenses.** Add lines 1 through 24f	507,719,058	380,981,448	126,737,610	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	9,249	1	9,799
	2	Savings and temporary cash investments	235,740,348	2	73,004,079
	3	Pledges and grants receivable, net	201,475	3	68,149
	4	Accounts receivable, net	79,048,785	4	78,551,919
	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	19,530	7	2,245
	8	Inventories for sale or use	7,157,596	8	7,120,264
	9	Prepaid expenses and deferred charges	3,612,224	9	3,105,008
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 608,836,739			
	b	Less accumulated depreciation — 10b: 330,603,541	264,997,593	10c	278,233,198
	11	Investments—publicly traded securities	15,530,218	11	15,734,886
	12	Investments—other securities See Part IV, line 11		12	
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets	11,631,748	14	11,621,404
	15	Other assets See Part IV, line 11	19,936,890	15	208,489,509
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	637,885,656	16	675,940,460
Liabilities	17	Accounts payable and accrued expenses	53,037,820	17	41,236,480
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	218,380,000	20	213,830,000
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties	796,473	23	100,000,000
	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	148,490,327	25	152,934,814
	26	**Total liabilities.** Add lines 17 through 25	420,704,620	26	508,001,294
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	210,984,780	27	161,324,421
	28	Temporarily restricted net assets	4,769,727	28	5,033,647
	29	Permanently restricted net assets	1,426,529	29	1,581,098
		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	217,181,036	33	167,939,166
	34	Total liabilities and net assets/fund balances	637,885,656	34	675,940,460

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	524,264,890
2	Total expenses (must equal Part IX, column (A), line 25)	2	507,719,058
3	Revenue less expenses Subtract line 2 from line 1	3	16,545,832
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	217,181,036
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-65,787,702
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	167,939,166

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	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC	58-1928247

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)?	Yes		
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		176,544
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			176,544
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
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
	SCHEDULE C, PART II-B, LINE 1	LOBBYING ACTIVITIES WERE RELATED TO LEGISLATION IMPACTING HEALTHCARE PROGRAMS TO SERVE THE RESIDENTS OF SOUTHWEST GEORGIA LOBBYING ACTIVITIES PERFORMED INCLUDE THE USE OF MANAGEMENT MEMBERS AND PAID STAFF MEMBERS TO COMMUNICATE WITH PUBLIC OFFICIALS ON ISSUES THAT IMPACT THE ORGANIZATION'S ABILITY TO CONTINUE TO PROVIDE HEALTH SERVICES TO THE COMMUNITIES SERVED MANAGEMENT MAY ORGANIZE AND/OR HOST MEETINGS AMOUNG HOSPITAL EXECUTIVES AND THEIR LEGISLATORS ON ISSUES THAT IMPACT THE ORGANIZATION'S ABILITY TO CONTINUE PROVIDING HEALTHCARE SERVICES TO ITS PATIENTS AND ON WAYS TO CONTINUE TO IMPROVE THE HEALTH OF THE COMMUNITIES WE SERVE THE ORGANIZATION RETAINED PROFESSIONAL CONSULTANTS WITH EXPERTISE IN ACCESS TO HEALTHCARE SERVICES TO MONITOR AND EXPRESS SUPPORT FOR OR OPPOSITION TO LEGISLATION DIRECTLY IMPACTING THE ORGANIZATION'S ABILITY TO INCREASE ACCESS TO HEALTHCARE SERVICES TO THE CITIZENS OF SOUTHWEST GEORGIA, INCLUDING THOSE WITHOUT THE ABILITY TO PAY THE ORGANIZATION ALSO TRAINS MEDICAL AND PHARMACY STUDENTS AND FAMILY PRACTICE RESIDENTS AS PART OF ITS EFFORTS TO EXPAND HEALTHCARE SERVICES IN HPSAS AND MUSAS AND ENGAGE IN LOBBYING EFFORTS TO PROTECT AND EXPAND THOSE EFFORTS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

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	365,925	364,670	355,694	346,091	
b Contributions					
c Investment earnings or losses	5,415	1,255	8,976	9,603	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	371,340	365,925	364,670	355,694	

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

- a Board designated or quasi-endowment ▶ 100 000 %
- 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)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		No

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

Part VI 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		7,471,578		7,471,578
b Buildings		278,719,449	115,495,623	163,223,826
c Leasehold improvements		2,403,512	1,471,508	932,004
d Equipment		263,605,208	213,636,410	49,968,798
e Other		56,636,992		56,636,992
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				278,233,198

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) RELATED PARTY RECEIVABLES	187,264,022
(2) INTEREST IN NET ASSETS OF FOUNDATION	11,357,360
(3) ESTIMATED 3RD PARTY SETTLEMENTS	6,545,126
(4) INTEREST RATE SWAP	1,546,349
(5) DEFERRED FINANCING COSTS	1,201,759
(6) MISCELLANEOUS RECEIVABLES	524,411
(7) UNAMORTIZED BOND DISCOUNTS	50,482
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	208,489,509

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ACCRUED PENSION COST	138,899,342
INTEREST RATE SWAPS	14,035,472
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	152,934,814

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	524,264,890
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	507,719,058
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	16,545,832
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	-7,485,763
9	Total adjustments (net) Add lines 4 - 8	9	-7,485,763
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	9,060,069

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	517,552,098
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	772,971		
e	Add lines **2a** through **2d**			2e	772,971
3	Subtract line **2e** from line **1**			3	516,779,127
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	7,485,763		
c	Add lines **4a** and **4b**			4c	7,485,763
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	524,264,890

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

1	Total expenses and losses per audited financial statements			1	508,492,029
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	772,971		
e	Add lines **2a** through **2d**			2e	772,971
3	Subtract line **2e** from line **1**			3	507,719,058
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	507,719,058

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
INTENDED USES FOR ENDOWMENT FUNDS	SCHEDULE D, PAGE 2, PART V, LINE 4	THE INTENDED USE OF THE FUNDS IS TO BE USED TO FURTHER THE ORGANIZATIONS TAX-EXEMPT PURPOSE
LIABILITY UNDER FIN 48 FOOTNOTE	SCHEDULE D, PAGE 3, PART X	THE CORPORATION IS A NOT-FOR-PROFIT CORPORATION THAT HAS BEEN RECOGNIZED AS TAX-EXEMPT PURSUANT TO SECTION 501(C)3 OF THE INTERNAL REVENUE CODE THE CORPORATION APPLIES ACCOUNTING POLICIES THAT PRESCRIBE WHEN TO RECOGNIZE AND HOW TO MEASURE THE FINANCIAL STATEMENT EFFECTS OF INCOME TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN ON ITS INCOME TAX RETURNS THESE RULES REQUIRE MANAGEMENT TO EVALUATE THE LIKELIHOOD THAT, UPON EXAMINATION BY THE RELEVANT TAXING JURISDICTIONS, THOSE INCOME TAX POSITIONS WOULD BE SUSTAINED BASED ON THAT EVALUATION, THE CORPORATION ONLY RECOGNIZES THE MAXIMUM BENEFIT OF EACH INCOME TAX POSITION THAT IS MORE THAN 50% LIKELY OF BEING SUSTAINED TO THE EXTENT THAT ALL OR A PORTION OF THE BENEFITS OF AN INCOME TAX POSITION ARE NOT RECOGNIZED, A LIABILITY WOULD BE RECOGNIZED FOR THE UNRECOGNIZED BENEFITS, ALONG WITH ANY INTEREST AND PENALTIES THAT WOULD RESULT FROM DISALLOWANCE OF THE POSITION SHOULD ANY SUCH PENALTIES AND INTEREST BE INCURRED, THEY WOULD BE RECOGNIZED AS OPERATING EXPENSES BASED ON THE RESULTS OF MANAGEMENT'S EVALUATION, NO LIABILITY IS RECOGNIZED IN THE ACCOMPANYING BALANCE SHEET FOR UNRECOGNIZED INCOME TAX POSITIONS FURTHER, NO INTEREST OR PENALTIES HAVE BEEN ACCRUED OR CHARGED TO EXPENSE AS OF JULY 31, 2012 AND 2011 OR FOR THE YEARS THEN ENDED THE CORPORATION'S OPEN AUDIT PERIODS ARE FOR TAX YEARS 2009-2011
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	GIFT SHOP COGS 772,971 UNREALIZED GAIN/LOSS ON INVESTMENTS -7,485,763 GIFT SHOP COGS -772,971
REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 2D	GIFT SHOP COGS 772,971
REVENUE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 4B	UNREALIZED GAIN/LOSS ON INVESTMENTS 7,485,763
EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 2D	GIFT SHOP COGS 772,971

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

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 **1.25000 %**	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)			28,990,066		28,990,066	6 240 %
b Medicaid (from Worksheet 3, column a)			82,998,090	61,901,108	21,096,982	4 540 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			111,988,156	61,901,108	50,087,048	10 780 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		162,070	3,324,449	441,746	2,882,703	0 620 %
f Health professions education (from Worksheet 5)		1,269	1,630,388		1,630,388	0 350 %
g Subsidized health services (from Worksheet 6)			47,355,981	38,356,768	8,999,213	1 940 %
h Research (from Worksheet 7)		116	884,592	149,831	734,761	0 160 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			561,965		561,965	0 120 %
j **Total** Other Benefits		163,455	53,757,375	38,948,345	14,809,030	3 190 %
k **Total.** Add lines 7d and 7j		163,455	165,745,531	100,849,453	64,896,078	13 970 %

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			103,750		103,750	0 020 %
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			103,750		103,750	0 020 %

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	16,550,256		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	662,010		
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	125,002,018		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	198,374,839		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-73,372,821		
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					
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	PHOEBE PUTNEY MEMORIAL HOSPITAL INC PO BOX 3770 ALBANY,GA 31706	X	X		X			X		HHA, HOSPICE

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)

PHOEBE PUTNEY MEMORIAL HOSPITAL INC

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		
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 125 0%			
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 200 0%			
	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**	Yes	
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? 2

	Name and address	Type of Facility (Describe)
1	PHOEBE HOME CARE 417 THIRD AVENUE ALBANY, GA 31701	HOME HEALTH AGENCY
2	ALBANY COMMUNITY HOSPICE 320 FOUNDATION LANE ALBANY, GA 31707	HOSPICE
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the 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
SUBSIDIZED HEALTH SERVICES EXPLANATION	PART I LINE 7G	THE NET COST ASSOCIATED WITH PHYSICIAN CLINIC SERVICES REPORTED ON SCHEDULE H PART 7G IS 8999213

Identifier	ReturnReference	Explanation
EXCLUSIONS FROM PERCENT OF TOTAL EXPENSE	PART I LINE 7 COLUMN F	BAD DEBT EXPENSE WAS EXCLUDED FROM TOTAL EXPENSES IN THE CALCULATION OF THE COST TO CHARGE RATIO USED TO DETERMINE THE COST OF FINANCIAL ASSISTANCE AND MEANSTESTED GOVERNMENTAL SERVICES BAD DEBT EXPENSE WAS ALSO EXCLUDED FROM TOTAL EXPENSES FOR PURPOSES OF CALCULATING NET COMMUNITY BENEFIT EXPENSE AS A PERCENTAGE OF TOTAL EXPENSE

Identifier	ReturnReference	Explanation
COSTING METHODOLOGY EXPLANATION	PART I LINE 7	THE COST OF MEDICAID AND CHARITY CARE WAS CALCULATED USING THE COSTTO CHARGE RATIO AS CALCULATED USING WORKSHEET 2 FROM THE IRS FORM 990 INSTRUCTIONS THE COST OF OTHER BENEFITS WAS THE DIRECT COST OF THE SERVICES

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	PART II	THE ORGANIZATION AND ALL ITS VOLUNTEER BOARDS ARE COMPOSED OF COMMUNITY MEMBERS WITH DIVERSE PROFESSIONAL AND COMMUNITY SERVICE BACKGROUNDS AS WELL AS PHYSICIAN MEMBERS IN ALL FACILITIES EMERGENCY CENTERS ARE OPERATED 247 AND OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY THE BOARDS MAINTAIN OPEN MEDICAL STAFF POLICIES WITH PRIVILEGES AVAILABLE TO ALL QUALIFYING PHYSICIANS THE BOARD HAS CLEARLY WRITTEN INDIGENT AND CHARITY CARE POLICIES THAT ARE AVAILABLE ON THE ORGANIZATION WEB SITE AND THROUGH THE BUSINESS OFFICE SIGNS ARE PROMINENTLY POSTED ON THE AVAILABILITY OF FREE AND CHARITY CARE

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	AMOUNTS ON PART III LINES 2 AND 3 WERE CALCULATED USING THE RCC AS DEFINED IN WORKSHEET 2 THE AMOUNT OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE FOR UNDER THE ORGANIZATIONS CHARITY CARE POLICY IS BASED ON THE HISTORICAL EXPERIENCE OF THE RESPONSE RATES WITH INCOMPLETE DATA TEXT OF AUDITED FINANCIAL STATEMENTS FOOTNOTE REGARDING UNCOLLECTIBLE ACCOUNTS THE CORPORATION PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED ON THE EVALUATION OF THE OVERALL COLLECTABILITY OF THE ACCOUNTS RECEIVABLE AS ACCOUNTS ARE KNOWN TO BE UNCOLLECTIBLE THE ACCOUNT IS CHARGED AGAINST THE ALLOWANCE

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	THE MEDICARE SHORTFALL WAS CALCULATED USING THE COSTTOCHARGE RATIO FROM WORKSHEET 2 OF THE IRS FORM 990 INSTRUCTIONS THE MEDICARE SHORTFALL IS TREATED AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	THE ORGANIZATION WRITES OFF PATIENT ACCOUNTS RECEIVABLE BALANCES FOR PATIENTS QUALIFYING FOR CHARITY CARE OR FINANCIAL ASSISTANCE AND DOES NOT MAKE FURTHER COLLECTION EFFORTS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	NEEDS ASSESSMENTS HAVE TRADITIONALLY LED TO THE CREATION OF COMMUNITYBASED DELIVERY SYSTEMS THAT EXPAND ACCESS TO HEALTH CARE MEET THE NEEDS OF THE PEOPLE AND BUILD HEALTHY COMMUNITIES IN THE BROADEST SENSE BY IMPACTING MAJOR DETERMINANTS SUCH AS ECONOMIC DEVELOPMENT EMPLOYMENT CHILDRENS SAFETY EDUCATION AND ADEQUATE HOUSING THE ORGANIZATION CONDUCTS REGULAR NEEDS ASSESSMENT THROUGH FORMAL AND INFORMAL SURVEYS AND PROCESSES INCLUDING COLLABORATIONS WITH PUBLIC AND COMMUNITY AGENCIES THROUGH STRATEGIC PLANNING AND COMMUNITY INTERVIEWS THE ORGANIZATION DEVELOPS PROGRAMS AND SERVICES THAT CONSIDER THE ECONOMIC IMPERATIVES OF THE REGION THE EFFECT OF LEGISLATION AND THE INVOLVEMENT OF OTHER COMMUNITYBASED ORGANIZATIONS AND PARTNERS THE ORGANIZATION REGULARLY CONDUCTS FOCUS GROUPS IN THE COMMUNITY TO UNDERSTAND ISSUES AFFECTING ITS PATIENTS AND HAS CREATED PROGRAMS IN RESPONSE TO HEALTH DISPARITIES PREVALENT IN THE AREA THE ORGANIZATION ALSO CONTRIBUTES FINANCIALLY AND WITH PERSONNEL TO THE CANCER COALITION OF SOUTH GEORGIA INC AND THE EMORY RESEARCH PREVENTION PROJECT WHICH CONDUCTS HEALTH ASSESSMENT STUDIES AND IMPLEMENTS PROGRAMS TO ELIMINATE DISPARITIES IN ACCESS TO CARE AND THE DIAGNOSIS AND TREATMENT OF DISEASE THE ORGANIZATION WHICH FUNDS NURSES IN ALL PUBLIC SCHOOLS IN DOUGHERTY COUNTY ALSO COLLECTS HEALTH NEEDS INFORMATION FROM NURSES WHO PROVIDE DIRECT CARE TO STUDENTS AND STAFF AND WHO COLLABORATE WITH OTHER AGENCIES TO DEVELOP HEALTH AWARENESS AND DISEASE PREVENTION PROGRAMS THE ORGANIZATION ALSO CONDUCTS REGULAR PHYSICIAN WORKFORCE STUDIES THROUGH ITS STRATEGIC PLANNING ARM TO DETERMINE UNMET PHYSICIAN NEEDS AND BARRIERS TO ACCESSING CARE THE ORGANIZATION MEASURES THE SUCCESS OF ITS COMMITMENT BY HOW WELL IT KEEPS PEOPLE HEALTHY AND HOW WELL IT IMPACTS THE SOCIALCULTURAL BONDS THAT WILL SECURE THE COMMUNITIES OF THE FUTURE

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	THE BOARD HAS CLEARLY WRITTEN INDIGENT AND CHARITY CARE POLICIES THAT ARE AVAILABLE ON THE ORGANIZATION WEB SITE AND THROUGH THE BUSINESS OFFICE SIGNS ARE PROMINENTLY POSTED ON THE AVAILABILITY OF FREE AND CHARITY CARE PATIENT EDUCATION ON THE ORGANIZATIONS INDIGENT AND CHARITY CARE PROGRAMS ARE CONDUCTED DURING PREREGISTRATION THROUGH FLOOR VISITS BY BUSINESS OFFICE REPRESENTATIVES FOR PATIENTS THAT STRESS CONCERN IN MEETING THE FINANCIAL OBLIGATIONS FOR THEIR SERVICES THROUGH THE CUSTOMER SERVICE DEPARTMENT AND THE PHOEBE CARES DEPARTMENT BROCHURES ARE PROMINENTLY DISPLAYED AT EACH REGISTRATION BOOTH THE BUSINESS OFFICE CONTINUOUSLY PROVIDES UPDATED MATERIAL TO PHYSICIAN OFFICES FOR ISSUANCE TO THEIR PATIENTS THAT HIGHLIGHT THE FINANCIAL ASSISTANCE PROGRAM AND POLICIES THE PATIENT STATEMENTS HIGHLIGHT THE ORGANIZATIONS CHARITY PROGRAM AND ENCOURAGE PATIENTS TO CALL FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	THE ORGANIZATION SERVES A PREDOMINATELY RURAL AREA IN SOUTHWEST GEORGIA IN ITS BROADEST BOUNDARIES STRETCHING FROM ALBANY TO COLUMBUS SOUTH ALONG THE ALABAMA BORDER AND EAST ALONG THE FLORIDA BORDER TO VALDOSTA THE PRIMARY SERVICE AREA IS FIVE CONTIGUOUS COUNTIES AND 15 COUNTIES IN THE SECONDARY AREA ALBANY IS THE ECONOMIC AND MEDICAL HUB FOR THE REGION AND THE ORGANIZATION DRAWS FROM A POPULATION OF 300000 TO 400000 RESIDENTS FOR MAJOR HEALTH CARE SERVICE LINES SUCH AS HEART AND CANCER

Identifier	ReturnReference	Explanation
HEALTH OF COMMUNITY IN RELATION TO EXEMPT PURPOSE	PART VI	THE ORGANIZATION HAS A MULTIPRONGED APPROACH TO IMPROVING THE HEALTH OF THE COMMUNITIES IT SERVES INCREASING ACCESS BUILDING CAPACITY INVESTING IN UPSTREAM PROGRAMS THAT GET AT THE CAUSE OF DISEASE AND ILLNESS BUILDING COMMUNITY PARTNERSHIPS ADVOCATING CHANGE AND DEVELOPING LEADERSHIP SURPLUS FUNDS ARE REINVESTED IN RESOURCES TO IMPROVE THE DELIVERY OF MEDICAL AND HEALTH CARE SERVICES PRIMARY CARE IS FIRST AND CREATES A PROFOUND IMPACT ON THE COMMUNITIES SERVED PRIMARY CARE SERVICES ARE ESTABLISHED IN AREAS WHERE RESIDENTS ARE MOST LIKELY TO SUFFER FROM SEVERE MANPOWER SHORTAGES HIGH POVERTY LEVELS AND A LACK OF ACCESS TO CARE THE ORGANIZATION ALSO EASES THE BURDEN ON TAXPAYERS WITH SPECIFIC PROGRAMMING THAT INCLUDES EXERCISE SEMINARS AND LIFESTYLE PROGRAMS FOR FIREFIGHTERS AND EMTS WHO MUST MEET HEALTH BIOMETRIC REQUIREMENTS WITHIN THE NEXT YEAR THESE PROGRAMS AND SERVICES SUCCESSFULLY REDUCE INAPPROPRIATE USE OF EMERGENCY CENTER SERVICES AND PROVIDE RESIDENTS WITH PRIMARY CARE AT THE LOCAL LEVEL WHERE IT IS MOST EFFECTIVE AND LEAST COSTLY THE ORGANIZATION FURTHER PROVIDES ALL INMATE CARE FREE TO DOUGHERTY COUNTY

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

Identifier	ReturnReference	Explanation
ADDITIONAL INFORMATION	PART VI	SERVICE TO THE COMMUNITY PHOEBE PUTNEY MEMORIAL HOSPITAL INC CORPORATION IS A NOTFORPROFIT HEALTH CARE ORGANIZATION THAT EXISTS TO SERVE THE COMMUNITY THE CORPORATION OPENED IN 191 1 TO SERVE THE COMMUNITY BY CARING FOR THE SICK REGARDLESS OF ABILITY TO PAY AS A TAXEXEMP T CORPORATION THE CORPORATION HAS NO STOCKHOLDERS OR OWNERS ALL REVENUES AFTER EXPENSES AR E REINVESTED IN THE MISSION TO CARE FOR THE CITIZENS OF THE COMMUNITY INTO CLINICAL CARE H EALTH PROGRAMS STATEOFTHEART TECHNOLOGY AND FACILITIES RESEARCH AND TEACHING AND TRAINING OF MEDICAL PROFESSIONALS NOW AND FOR THE FUTURE THE CORPORATION OPERATES AS A CHARITABLE O RGANIZATION CONSISTENT WITH THE REQUIREMENTS OF INTERNAL REVENUE CODE SECTION 501C3 AND TH E COMMUNITY BENEFIT STANDARD OF IRS REVENUE RULING 69545 THE CORPORATION TAKES SERIOUSLY I TS RESPONSIBILITY AS THE COMMUNITYS SAFETY NET HOSPITAL AND HAS A STRONG RECORD OF MEETING AND EXCEEDING THE CHARITABLE CARE AND THE ORGANIZATIONAL AND OPERATIONAL STANDARDS REQUIR ED FOR FEDERAL TAXEXEMPT STATUS THE CORPORATION DEMONSTRATES A CONTINUED AND EXPANDING COM MITMENT TO MEETING ITS MISSION AND SERVING THE CITIZENS BY PROVIDING COMMUNITY BENEFITS A COMMUNITY BENEFIT IS A PLANNED MANAGED ORGANIZED AND MEASURED APPROACH TO MEETING IDENTIFI ED COMMUNITY HEALTH NEEDS REQUIRING A PARTNERSHIP BETWEEN THE HEALTHCARE ORGANIZATION AND THE COMMUNITY TO BENEFIT RESIDENTS THROUGH PROGRAMS AND SERVICES THAT IMPROVE HEALTH STATU S AND QUALITY OF LIFE THE CORPORATION IMPROVES THE HEALTH AND WELLBEING OF SOUTHWEST GEORG IA THROUGH CLINICAL SERVICES EDUCATION RESEARCH AND PARTNERSHIPS THAT BUILD HEALTH CAPACIT Y IN THE COMMUNITY THE CORPORATION PROVIDES COMMUNITY BENEFITS FOR EVERY CITIZEN IN ITS SE RVICE AREA AS WELL AS FOR THE MEDICALLY UNDERSERVED THE CORPORATION CONDUCTS COMMUNITY NEE DS ASSESSMENTS AND PAYS CLOSE ATTENTION TO THE NEEDS OF LOW INCOME AND OTHER VULNERABLE PE RSONS AND THE COMMUNITY AT LARGE THE CORPORATION OFTEN WORKS WITH COMMUNITY GROUPS TO IDEN TIFY NEEDS STRENGTHEN EXISTING COMMUNITY PROGRAMS AND PLAN NEWLY NEEDED SERVICES IT PROVID ES A WIDERANGING ARRAY OF COMMUNITY BENEFIT SERVICES DESIGNED TO IMPROVE COMMUNITY HEALTH AND THE HEALTH OF INDIVIDUALS AND TO INCREASE ACCESS TO HEALTH CARE IN ADDITION TO PROVIDI NG FREE AND DISCOUNTED SERVICES TO PEOPLE WHO ARE UNINSURED AND UNDERINSURED THE CORPORATI ONS EXCELLENCE IN COMMUNITY BENEFIT PROGRAMS WAS RECOGNIZED BY THE PRESTIGIOUS FOSTER MCGA W PRIZE AWARDED TO THE CORPORATION IN 2003 FOR ITS BROADBASED OUTREACH IN BUILDING COLLABO RATIVES THAT MAKE MEASURABLE IMPROVEMENTS IN HEALTH STATUS EXPAND ACCESS TO CARE AND BUILD COMMUNITY CAPACITY SO THAT PATIENTS RECEIVE CARE CLOSEST TO THEIR OWN NEIGHBORHOODS DRAWI NG ON A DYNAMIC AND FLEXIBLE STRUCTURE THE COMMUNITY BENEFIT PROGRAMS ARE DESIGNED TO RESP OND TO ASSESSED NEEDS AND ARE FOCUSED ON UPSTREAM PREVENTION AS SOUTHWEST GEORGIAS LEADING PROVIDER OF COSTEFFECTIVE PATIENTCENTERED HEALTH CARE THE CORPORATION IS ALSO THE REGIONS LARGEST EMPLOYER WITH MORE THAN 3600 MEMBERS OF THE PHOEBE FAMILY CARING FOR PATIENTS THE CORPORATION PARTICIPATES IN THE MEDICARE AND MEDICAID PROGRAMS AND IS ONE OF THE LEADING PROVIDERS OF MEDICAID SERVICES IN GEORGIA THE FOLLOWING TABLE SUMMARIZES THE AMOUNTS OF CH ARGES FOREGONE IE CONTRACTUAL ADJUSTMENTS AND ESTIMATES THE LOSSES INCURRED BY THE CORPORA TION DUE TO INADEQUATE PAYMENTS BY THESE PROGRAMS AND FOR INDIGENTCHARITY THIS TABLE DOES NOT INCLUDE DISCOUNTS OFFERED BY THE CORPORATION UNDER MANAGED CARE AND OTHER AGREEMENTS C HARGES ESTIMATED FOREGONE UNREIMBURSED COST MEDICARE 375700000 68800000 MEDICAID 143700000 23900000 INDIGENTCHARITY 62000000 24000000 581400000 116700000 THE FOLLOWING IS A SUMMARY OF THE COMMUNITY BENEFIT ACTIVITIES AND HEALTH IMPROVEMENT SERVICES OFFERED BY THE CORPOR ATION AND ILLUSTRATES THE ACTIVITIES AND DONATIONS DURING FISCAL YEAR 2012 ICOMMUNITY HEAL TH IMPROVEMENT SERVICES ACOMMUNITY HEALTH EDUCATION THE CORPORATION PROVIDES HEALTH EDUCAT ION SERVICES THAT REACHED 37000 INDIVIDUALS IN 2012 AT A COST OF 787000 THESE SERVICES INC LUDED THE FOLLOWING FREE CLASSES AND SEMINARS PREPARED CHILDBIRTH CLASSES REFRESHER CHILDB IRTH CLASSES PREGNANCY CLASSES BREASTFEEDING CLASSES LACTATION CONSULTING TEEN MAZE HEALTH TEACHER TRAINING NUTRITION AND DIABETES EDUCATION BREAST CANCER AWARENESS K12 HEALTH FAIR S CANCER PREVENTION SUN SAFETY GOLDEN KEY HEALTH SEMINARS SUPPORT GROUPS THE CORPORATION I S INVOLVED IN MANY ACTIVITIES AIMED AT EDUCATING THE COMMUNITY ABOUT HEALTHRELATED TOPICS EXAMPLES OF THESE ACTIVITIES ARE A COMPREHENSIVE HEALTH INFORMATION MAGAZINEFORMAT NEWSLET TER AT A COST OF 25000 A MONTHLY HEALTH INFORMATION NEWSLETTER DISTRIBUTED TO 20000 SENIOR CITIZENS AT A COST OF 55000 AND FREQUENT ONGOING HEALTH SEMINARS HELD AT PHOEBE NORTHWEST FREE OF CHARGE AND ATTRACTING AUDIENCES RANGING FROM 30 TO 150 PERSONS THE CORPORATION AL SO PRODUCES PUBLIC SERVICE TELEVISION CAMPAIGNS CALLED DO IT FOR LIFE FREQUENTLY FEATURING CELEBRITY PERSONALITIES THESE CAMPAIGNS URGE VIEW

Identifier	ReturnReference	Explanation
ADDITIONAL INFORMATION	PART VI	ERS TO ADOPT HEALTHY LIFESTYLE CHANGES AND TO PARTICIPATE IN SCREENINGS FOR CANCER HEART D ISEASE DIABETES AND OTHER DISEASES VIDEOS ON HEART AND STROKE PREVENTION AND ACTION AS WEL L AS VIDEOS ON CANCER TREATMENT CARE ARE AVAILABLE TO THE GENERAL PUBLIC AND TO PATIENTS M ANY STAFF MEMBERS OF THE CORPORATION ALSO LEND THEIR TIME TO SCHOOLS AND CIVIC ORGANIZATIO NS TO SPEAK ON HEALTH ISSUES CAMP GOOD GRIEF THE CORPORATION HOSTS CAMP GOOD GRIEF AN ANNU AL EVENT HELD AT POTTERS COMMUNITY CENTER THIS FREE EVENT IS FOR CHILDREN WHO HAVE EXPERIE NCED THE LOSS OF A LOVED ONE THE EVENT PROVIDES A HOST OF ACTIVITIES DESIGNED TO HELP THE PARTICIPANTS DEAL WITH THEIR GRIEF THE EVENT CONCLUDES WITH A MEMORIAL SERVICE THIS YEAR 4 0 CHILDREN ATTENDED THE 2DAY EVENT AT A COST OF 11000 MEN AND WOMENS HEALTH CONFERENCES TH E CORPORATION HOLDS MENS AND WOMENS ANNUAL HEALTH CONFERENCES THAT PROVIDE HEALTH SCREENIN GS FOR PSA CHOLESTEROL HIVAID BLOOD PRESSURE HEARING AND VISION HEALTH INFORMATION SPEAKER S AND FELLOWSHIP TO MORE THAN 1900 ATTENDEES THE HEALTH CONFERENCE PROGRAMS PROVIDE OUTREA CH HEALTH SCREENINGS EDUCATIONAL PROGRAMS AND HEALTH CONFERENCES AND EVENTS THESE PROGRAMS TARGET MEN AND WOMEN AT RISK OF POOR HEALTH STATUS THE PROGRAMS TARGET MEN AND WOMEN WITH OUT A PRIMARY CARE PHYSICIAN AND WHO ARE UNINSURED AND MEN AND WOMEN WITHOUT KNOWLEDGE OF RECOMMENDED PREVENTIVE HEALTH CARE SERVICES THE CORPORATION ALSO RUNS PUBLIC SERVICE TELEV ISION SPOTS ON BREAST CANCER AWARENESS AND BREAST HEALTH AS WELL AS ANNOUNCEMENTS ON PROST ATE CANCER HEART HEALTH HIGH BLOOD PRESSURE CHILD TRANSPORTATION SAFETY AND SMOKING CESSAT ION THE FOLLOWING ARE EXAMPLES OF MENS HEALTH INITIATIVE PROGRAMS MEN AT WORK THIS EVENT H AS TAKEN PLACE FOR THE LAST SIX YEARS SERVING THE CITY OF ALBANY DOUGHERTY COUNTY AND THE WATER GAS AND LIGHT MALE EMPLOYEES THIS IS A PROGRAM THAT THE CORPORATION DOES IN PARTNERS HIP WITH THE AMERICAN CANCER SOCIETY DR AJAYISOUTHWEST GA UROLOGY CLINIC THE CITYCOUNTY AN D SUBWAY WHO SUPPLIES FOOD FOR FREE THIS EVENT IS HELD IN OUR DOWNTOWN GOVERNMENT CENTER A ND THE MEN ARE ALLOWED A LIBERAL LEAVE SO THAT THEY CAN GET THEIR PSA SCREENINGS VISIT OUR VARIOUS EDUCATIONAL BOOTHS AND HAVE LUNCH WITH THE DOCTOR AT EACH EVENT OVER 125 MEN ARE SERVED FIREDUPFORFITNESS AS A WAY TO INCREASE PHYSICAL ACTIVITY AND PROMOTE MENTAL HEALTH THE ALBANY FIRE DEPARTMENT AFD INSTITUTED THE FIRED UP FOR FITNESS PROGRAM IN 2009 THIS PR OGRAM WAS MOTIVATED BY THE AFDS DESIRE TO DEVELOP A PROGRAM TO ADDRESS BOTH EMPLOYEE WELLN ESS AND IMPROVED JOB PERFORMANCE THE GOAL OF THE FIRED UP FOR FITNESS PROGRAM IS TO IMPROV E THE FIREFIGHTERS PHYSICAL CONDITION PRIMARILY THROUGH WEIGHT LOSS THEREBY PREVENTING HEA RT ATTACKS AND REDUCING LOST WORK HOURS DUE TO CARDIOVASCULAR EVENTS AND OTHER CHRONIC HEA LTH PROBLEMS WITH FUNDING FROM A DEPARTMENT OF HOMELAND SECURITY GRANT IN JUNE 2009 THE AF D PURCHASED AND INSTALLED EXERCISE EQUIPMENT FOR EACH OF ITS 11 FIRE STATIONS THE CORE COM PONENT OF THE FIRED UP FOR FITNESS PROGRAM IS A MANDATORY DEPARTMENTWIDE PHYSICAL FITNESS POLICY THAT REQUIRES THAT ALL SUPPRESSION PERSONNEL FIREFIGHTERS USE THE EXERCISE EQUIPMEN T FOR AT LEAST ONE HOUR DURING EACH 24HOUR SHIFT WORKED THE MANDATORY POLICY WAS IMPLEMENT ED IN FEBRUARY 2010 THE AFD PARTNERED WITH PHOEBE CORPORATE HEALTH CENTER PCHC PART OF THE CORPORATION TO OFFER AN EDUCATIONAL COMPONENT TO THE FIRED UP FOR FITNESS PROGRAM PCHC EN GAGED EXPERTS TO PRESENT SESSIONS ON THE FOLLOWING TOPICS COOKING HEALTHY TAUGHT BY A CHEF NUTRITION TAUGHT BY A DIETITIAN STRESS MANAGEMENT TAUGHT BY A PSYCHIATRIST AND MEDICATION ADHERENCE TAUGHT BY A PHARMACIST MENS PROSTATE HEALTH CLINIC THIS ANNUAL EVENT IS IN ITS THIRTEENTH YEAR MEN ARE GIVEN A DIGITAL RECTAL EXAM DRE AS WELL AS A PSA DRES ARE PERFORME D BY THE CORPORATIONS RADIATION ONCOLOGIST AND PHYSICIANS FROM ALBANY UROLOGY WHO VOLUNTEE R THEIR TIME OVER 198 MEN FROM ALL DEMOGRAPHIC GROUPS ARE REACHED AT THIS EVENT GOLDEN KEY THIS IS A MEMBERSHIP ORGANIZATION FOR P

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 11H	PART V LINE 11H	OTHER FACTORS THAT WERE USED TO CALCULATE AMOUNTS CHARGED TO PATIENTS INCLUDED THE NUMBER OF INDIVIDUALS IN A HOUSEHOLD

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 13G	PART V LINE 13G	CASE MANAGEMENT REFERS PATIENTS TO PHOEBE CARES REPRESENTATIVES FOR OTHER HEALTHCARE SERVICES OTHER THAN THE INPATIENT STAY

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 19D	PART V LINE 19D	PHOEBE DETERMINES THE PATIENTS ABILITY TO PAY BASED ON FINANCIAL ASSISTANCE POLICY AND PROVIDES FREE OR DISCOUNTED CARE AS INDICATED PROMPT PAY POLICIES ARE ALSO APPLIED

Identifier	ReturnReference	Explanation
PHOEBE PUTNEY MEMORIAL HOSPITAL INC LINE NUMBER 1 PART V LINE 21	PART V LINE 21	ALL PATIENTS ARE CHARGED GROSS CHARGES AND THEN FINANCIAL ASSISTANCE AND PROMPT PAY POLICIES ARE APPLIED AS APPROPRIATE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

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

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

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

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) EDUCATIONAL LOANS	133	127,440			

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	EMPLOYEE MUST BE EMPLOYED AS A REGULAR FULL TIME EMPLOYEE (64+ HOURS PER PAY PERIOD) FOR AT LEAST ONE YEAR, 12 MONTHS THEY MUST SCORE A "MEETS EXPECTATIONS" OR GREATER ON THEIR LAST EVALUATION THE EMPLOYEE MUST MAINTAIN A SEMESTER OR QUARTER GPA OF 2 5 FOR UNDERGRADUATE STUDIES AND 3 0 FOR GRADUATE STUDIES TO RECEIVE TUITION ASSISTANCE EMPLOYEE MUST SUBMIT A COPY OF GRADE TO THE BENEFITS DEPARTMENT AND MANAGER AFTER THE COMPLETION OF EACH COURSE AN EMPLOYEE RECEIVING TUITION ASSISTANCE IS REQUIRED TO WORK FOR PHOEBE ONE YEAR, FULL-TIME UPON DEGREE COMPLETION OR CESSATION FROM THE DEGREE PROGRAM

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or 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) JOEL WERNICK	(i) (ii)	726,040	301,119	8,017	827,011	14,940	1,877,127	
(2) JOE AUSTIN	(i) (ii)	415,274	142,803	16,610	85,144	14,721	674,552	
(3) KERRY LOUDERMILK	(i) (ii)	386,618	134,291	15,365	101,559	15,588	653,421	
(4) THOMAS CHAMBLESS	(i) (ii)	370,935	114,929	4,892	22,144	75	512,975	
(5) DOUG PATTEN	(i) (ii)	335,400	94,876	7,842	71,003	19,590	528,711	
(6) JOHN FISCHER	(i) (ii)	370,382	57,072	7,265	2,717	6,578	444,014	
(7) LAURA SHEARER	(i) (ii)	236,784	66,002	18,739	49,513	7,573	378,611	
(8) DAVID BARANSKI	(i) (ii)	227,522	60,350	12,006	57,407	1,523	358,808	
(9) THOMAS SULLIVAN	(i) (ii)	193,534	55,003	19,287	26,919	16,459	311,202	
(10) DOUG CALHOUN	(i) (ii)	290,755	26,719	3,582	4,900	11,061	337,017	
(11) BRITT BOONE	(i) (ii)	254,529	10,700	244	4,900	14,812	285,185	
(12) WILLIAM BUNTIN	(i) (ii)	228,671	10,700	160	4,597	15,648	259,776	
(13) MARY WILLIAMS	(i) (ii)	224,184	10,700	2,526	4,543	6,642	248,595	
(14) JOEY POWELL	(i) (ii)	220,011	10,700	734	4,443	16,784	252,672	

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
FRINGE OR EXPENSE EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 1A	COUNTRY CLUB DUES ARE PART OF THE EMPLOYEE'S COMPENSATION PACKAGE THOSE THAT PARTICIPATE ARE JOEL WERNICK, KERRY LOUDERMILK, JOE AUSTIN, LAURA SHEARER, AND THOMAS SULLIVAN
RELATED ORG METHODS USED FOR COMPENSATION EXPLANATION	SCHEDULE J, PAGE 1, PART I, LINE 3	NONE OF THE INDIVIDUAL BOARD MEMBERS OR OFFICERS ARE COMPENSATED BY THE FILING ORGANIZATION THE FILING ORGANIZATION, INSTEAD, RELIES ON THE METHODS USED BY PPHS TO ESTABLISH COMPENSATION OF THE CEO AND EXECUTIVE OFFICERS COMPENSATION DETERMINATION BY PPHS INCLUDES AN INDEPENDENT COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT AND SURVEYS, AND BOARD APPROVAL THESE METHODS ARE WELL DOCUMENTED
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	JOEL WERNICK 0 781,100 0 JOE AUSTIN 0 63,000 0 KERRY LOUDERMILK 0 67,150 0 DOUG PATTEN 0 37,950 0 LAURA SHEARER 0 7,200 0
OTHER ADDITIONAL INFORMATION	SCHEDULE J, PART III	PART I, LINE 4 - DEFERRED COMPENSATION PLAN 457(B) THE DEFERRED COMPENSATION PLAN IS AN ADDITIONAL RETIREMENT PLAN OFFERED THROUGH PHOEBE PUTNEY THE 457(B) PLAN IS A NON-QUALIFIED RETIREMENT PLAN THAT ALLOWS ONE TO DEFER ADDITIONAL DOLLARS TOWARDS RETIREMENT HIGHLIGHTS INCLUDE O NOT LIMITED BY THE AMOUNTS DEFERRED INTO THE PHOEBE 403(B) O PLAN IS SUBJECT TO ANNUAL DEFERRAL LIMITS SET BY THE IRS O PER IRS REGULATIONS, EACH PARTICIPANT IS A GENERAL UNSECURED CREDITOR OF THE PLAN SPONSOR, CREATING A RISK OF FORFEITURE SENIOR VICE PRESIDENTS AND ABOVE AND PHYSICIANS MAKING OVER 115,000 ARE ELIGIBLE TO PARTICIPATE IN THE 457(B) PLAN SCHEDULE J, PART II, COLUMN C A SUBSTANTIAL PORTION OF THE AMOUNT REPORTED IN COLUMN C OF SCHEDULE J, PART II (RETIREMENT AND OTHER DEFERRED COMPENSATION) FOR EMPLOYEES IDENTIFIED ABOVE IS A SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM THE PURPOSE OF THE PLAN IS TO PROVIDE A RETIREMENT BENEFIT FOR AFFECTED EXECUTIVES CONSISTENT WITH THE BENEFIT AVAILABLE TO EMPLOYEES NOT IMPACTED BY IRS COMPENSATION LIMITS ON DEFINED BENEFIT PLANS THE AMOUNTS REPORTED AS SUPPLEMENTAL EXECUTIVE RETIREMENT COMPENSATION FOR AFFECTED EMPLOYEES REPRESENTS CREDITED, BUT NOT VESTED, RETIREMENT BENEFITS AND IS AVAILABLE IN FUTURE PERIODS TO THE EMPLOYEE SUBJECT TO CONTINUING EMPLOYMENT THE HEALTH SYSTEM MAINTAINS OWNERSHIP OF THE FUNDS PAID TO THE PARTICIPANT PRIOR TO NORMAL RETIREMENT AGE, THE HEALTH SYSTEM ALWAYS HAS AT LEAST THREE YEARS OF DEPOSITS WHICH ARE SUBJECT TO CONTINUING EMPLOYMENT FOR THE PARTICIPANT TO RECEIVE THE FUNDS THIS PLAN IS A DEFINED CONTRIBUTION ACCOUNT BASED AND PARTICIPANT DIRECTED INVESTMENT PROGRAM THAT IS EMPLOYEE FUNDED

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSP AUTH OF ALB-DO CO GA 2008A	58-6001516	002170DK9	10-30-2008	54,090,000	REFUNDING OF 1991, 1996, AND 2002 REVENUE ANTICIPATION CERTIFICATES		X		X		X
B	HOSP AUTH OF ALB-DO CO GA 2008B	58-6001516	002170DL7	10-30-2008	53,970,000	REFUNDING OF 1991, 1996, AND 2002 REVENUE ANTICIPATION CERTIFICATES		X		X		X
C	HOSP AUTH OF ALBANY-DO CO GA 2010	58-6001516	NONENONEN	07-01-2010	99,000,000	REIMBURSEMENT FOR CAPITAL EXPENDITURES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	4,385,000	4,350,000	440,000	
2	Amount of bonds defeased				
3	Total proceeds of issue	54,225,000	54,100,000	99,000,000	
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	135,000	130,000	359,731	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds			88,278,977	
11	Other spent proceeds	54,090,000	53,970,000		
12	Other unspent proceeds				
13	Year of substantial completion			2010	

		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		X			X		
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part 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
DIFFERENCES IN ISSUE PRICE EXPLANATION	SCHEDULE K	HOSP AUTH OF ALBDO CO GA 2008A ISSUANCE COSTS 444212 AND CREDIT ENHANCEMENT FEE 78520 HOSP AUTH OF ALBDO CO GA 2008B ISSUANCE COSTS 444211 AND CREDIT ENHANCEMENT FEE 78520
ADDITIONAL INFORMATION	SCHEDULE K	HOSP AUTH OF ALBANYDO CO GA 2010 THIS DEBT WAS ISSUED ON A DRAWDOWN BASIS THE INITIAL PRINCIPAL AMOUNT DRAWN OF 88638708 WAS FOR REIMBURSEMENT OF PROJECT COSTS AND ISSUANCE COSTS THE REMAINING PRINCIPAL IS EXPECTED TO BE DRAWN ON OR NEAR AUGUST 1 2012 AT WHICH TIME THE PRINCIPLE AMOUNT WOULD TOTAL 99000000

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	THE INDEPENDENT ACCOUNTING FIRM THAT PREPARES THE FORM 990 (BASED UPON INFORMATION PROVIDED BY THE ORGANIZATION) PROVIDES A COPY OF THE RETURN TO BE REVIEWED BY MANAGEMENT UPON REVIEW, THE FORM 990 IS THEN FORWARDED TO THE FINANCE COMMITTEE FOR THEIR REVIEW, TO GAIN THEIR COMMENTS AND APPROVAL UPON APPROVAL FROM THE FINANCE COMMITTEE, THE FORM 990 AND RELATED SCHEDULES ARE PROVIDED TO ALL BOARD MEMBERS FOR REVIEW AND FEEDBACK ONCE THE FORM 990 IS REVIEWED BY ALL APPLICABLE PARTIES, A COPY OF THE FINAL VERSION IS PROVIDED TO ALL MEMBERS OF THE GOVERNING BODY PRIOR TO FILING

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ON AN ANNUAL BASIS, PHOEBE PUTNEY MEMORIAL HOSPITAL (PPMH) BOARD MEMBERS AS WELL AS ALL OFFICERS COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE. THIS QUESTIONNAIRE IS ADMINISTERED BY THE PHOEBE PUTNEY HEALTH SYSTEM (PPHS) COMPLIANCE DEPARTMENT AND THE DOCUMENT ASKS EACH INDIVIDUAL TO DISCLOSE ANY PERSONAL, BUSINESS, OR OTHER AFFILIATIONS AND MONETARY AMOUNT IF APPLICABLE THAT THEY OR THEIR IMMEDIATE FAMILY MEMBERS HAVE HAD WITHIN THE PAST 12 MONTHS WITH PPMH OR ANY RELATED ENTITIES. ALL RESPONSES ARE THEN EVALUATED BY THE PPHS COMPLIANCE DEPARTMENT

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	THE ORGANIZATIONS FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE CEO IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACCOMPLISHING THE ORGANIZATIONS MISSION, ACHIEVE ITS STRATEGIC GOALS, TO RECOGNIZE PERFORMANCE, AND TO OPERATE IN KEEPING WITH THE ORGANIZATIONS OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE EXECUTIVE COMPENSATION COMMITTEE OF THE ORGANIZATIONS BOARD OF DIRECTORS CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION OF THE CEO THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT COMPETITIVE MARKET ANALYSIS OF THE MARKET RANGES OF BASE, INCENTIVE AND TOTAL CASH COMPENSATION THE INFORMATION THE COMMITTEE MAY CONSIDER CAN INCLUDE BUT IS NOT LIMITED TO THE PERFORMANCE OF AN INDIVIDUAL, THE PERFORMANCE OF THE ORGANIZATION, AN INDIVIDUALS LENGTH OF SERVICE, CREDENTIALS AND EXPERIENCE, THE ELEMENTS OF TOTAL COMPENSATION AND SALARY HISTORY, THE ORGANIZATIONS COMPENSATION TARGETS, AND COMPARABILITY DATA, INCLUDING THE DATA PREPARED BY THE INDEPENDENT CONSULTANT AND REVIEWED WITH THE COMMITTEE THE COMMITTEE INCORPORATES A FORMAL PERFORMANCE APPRAISAL PROCESS IN THE CEO COMPENSATION REVIEW IT UTILIZES A MULTI-PERSPECTIVE APPROACH AND PERFORMANCE MEASURES WHICH ARE LINKED TO THE ORGANIZATIONS LONG-TERM STRATEGIC PLAN AND ACHIEVEMENT OF ANNUAL SYSTEM OBJECTIVES THE CEO IS NOT PRESENT WHEN THE COMMITTEE DISCUSSES AND ESTABLISHES HIS COMPENSATION

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	THE ORGANIZATIONS FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE OTHER OFFICERS AND KEY EMPLOYEES IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACCOMPLISHING THE ORGANIZATIONS MISSION, ACHIEVE ITS STRATEGIC GOALS, TO RECOGNIZE PERFORMANCE, AND TO OPERATE IN KEEPING WITH THE ORGANIZATIONS OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE EXECUTIVE COMPENSATION COMMITTEE OF THE ORGANIZATIONS BOARD OF DIRECTORS CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION OF THE OTHER OFFICERS AND KEY EMPLOYEES THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT COMPETITIVE MARKET ANALYSIS OF THE MARKET RANGES OF BASE, INCENTIVE AND TOTAL CASH COMPENSATION THE INFORMATION THE COMMITTEE MAY CONSIDER CAN INCLUDE BUT IS NOT LIMITED TO THE PERFORMANCE OF AN INDIVIDUAL, THE PERFORMANCE OF THE ORGANIZATION, AN INDIVIDUALS LENGTH OF SERVICE, CREDENTIALS AND EXPERIENCE, THE ELEMENTS OF TOTAL COMPENSATION AND SALARY HISTORY, THE ORGANIZATIONS COMPENSATION TARGETS, AND COMPARABILITY DATA, INCLUDING THE DATA PREPARED BY THE INDEPENDENT CONSULTANT AND REVIEWED WITH THE COMMITTEE THE COMMITTEE INCORPORATES A FORMAL PERFORMANCE APPRAISAL PROCESS IN THE OTHER OFFICERS AND KEY EMPLOYEES COMPENSATION REVIEW IT UTILIZES A MULTI-PERSPECTIVE APPROACH AND PERFORMANCE MEASURES WHICH ARE LINKED TO THE ORGANIZATIONS LONG-TERM STRATEGIC PLAN AND ACHIEVEMENT OF ANNUAL SYSTEM OBJECTIVES THE CEO PROVIDES A PERFORMANCE NARRATIVE AND RECOMMENDED COMPENSATION ADJUSTMENT FOR THE OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION THE COMMITTEE DETERMINES THE REASONABLENESS OF ANY COMPENSATION ADJUSTMENTS FOR OTHER OFFICERS AND KEY EMPLOYEES BASED ON THE PRESENTED EVALUATION AND COMPARATIVE COMPENSATION DATA

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION MAKES AVAILABLE TO THE PUBLIC ITS CONFLICT OF INTEREST AND AUDITED FINANCIAL STATEMENTS ON THE ORGANIZATION'S WEBSITE, BY PROVIDING COPIES UPON REQUEST, AND BY INSPECTION AT THE ADMINISTRATIVE OFFICES OF THE ORGANIZATION

Identifier	Return Reference	Explanation
RELATED ORGANIZATIONS	FORM 990, PAGE 7, PART VII	HOURS DEVOTED TO RELATED ORGANIZATIONS JOEL WERNICK 29 HOURS KERRY LOUDERMILK 29 HOURS JOE AUSTIN 26 HOURS DOUG PATTEN 25 HOURS THOMAS SULLIVAN 25 HOURS TOMMY CHAMBLESS 25 HOURS WILL SIMS 1 HOUR

Identifier	Return Reference	Explanation
OTHER CHANGES IN NET ASSETS EXPLANATION	FORM 990, PART XI, LINE 5	INCREASES IN NET ASSETS AMORTIZATION OF NET GAIN 3,276,175 AMORTIZATION OF PRIOR SERVICE COST 181,422 PHOEBE FOUNDATION NET ASSETS 717,767 DECREASES IN NET ASSETS NET ACTUARIAL LOSS 62,349,691 UNREALIZED GAIN/LOSS ON INVESTMENTS 7,485,763 OTHER DECREASES IN NET ASSETS 127,612 TOTAL CHANGES IN NET ASSETS (65,787,702)

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493157009113

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
PHOEBE PUTNEY MEMORIAL HOSPITAL INC

Employer identification number
58-1928247

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) PHOEBE PUTNEY HEALTH SYSTEMS INC PO BOX 3770 ALBANY, GA 31706 58-2001014	HEALTHCARE	GA	501C3	11A	NA		No
(2) PHOEBE FOUNDATION INC PO BOX 3770 ALBANY, GA 31706 58-1847104	FOUNDATION	GA	501C3	11	NA		No
(3) PHOEBE SUMTER MEDICAL CENTER INC 126 HIGHWAY 280 WEST AMERICUS, GA 31719 26-3975185	HEALTHCARE	GA	501C3	3	NA		No
(4) PHOEBE WORTH MEDICAL CENTER INC PO BOX 545 SYLVESTER, GA 31791 38-3647394	HEALTHCARE	GA	501C3	3	NA		No
(5) PHOEBE PHYSICIAN GROUP INC PO BOX 3770 ALBANY, GA 31706 26-3792403	HEALTHCARE	GA	501C3	9	NA		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

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) PHOEBE HEALTH PARTNERS INC PO BOX 3770 ALBANY, GA 31706 58-2198241	HEALTHCARE	GA	NA	C CORP	304,689	529,587	50 000 %

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

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

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c		No
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i	Yes	
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	Yes	
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		No

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

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

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	

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Phoebe Putney Memorial Hospital, Inc.
Albany, Georgia

We have audited the financial statements of Phoebe Putney Memorial Hospital, Inc. as of and for the years ended July 31, 2012 and 2011 and our report thereon dated November 7, 2012, which expressed an unqualified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information included in this report on pages 48 to 61, inclusive, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Draffin & Tucker, LLP

Albany, Georgia
November 7, 2012

PO Box 6
2617 Gillionville Road
Albany, GA 31702-0006
Tel (229) 883-7878
Fax (229) 435-3152

Five Concourse Parkway
Suite 1250
Atlanta GA 30328
Tel (404) 220-8494
Fax (229) 435-3152

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

SERVICE TO THE COMMUNITY

Phoebe Putney Memorial Hospital, Inc (Corporation) is a not-for-profit health care organization that exists to serve the community The Corporation opened in 1911 to serve the community by caring for the sick regardless of ability to pay As a tax-exempt corporation, the Corporation has no stockholders or owners. All revenues after expenses are reinvested in the mission to care for the citizens of the community - into clinical care, health programs, state-of-the-art technology and facilities, research and teaching, and training of medical professionals now and for the future

The Corporation operates as a charitable organization consistent with the requirements of Internal Revenue Code Section 501(c)(3) and the "community benefit standard" of IRS Revenue Ruling 69-545. The Corporation takes seriously its responsibility as the community's safety net hospital and has a strong record of meeting and exceeding the charitable care and the organizational and operational standards required for federal tax-exempt status. The Corporation demonstrates a continued and expanding commitment to meeting its mission and serving the citizens by providing community benefits A community benefit is a planned, managed, organized, and measured approach to meeting identified community health needs, requiring a partnership between the healthcare organization and the community to benefit residents through programs and services that improve health status and quality of life

The Corporation improves the health and well-being of Southwest Georgia through clinical services, education, research, and partnerships that build health capacity in the community The Corporation provides community benefits for every citizen in its service area as well as for the medically underserved. The Corporation conducts community needs assessments and pays close attention to the needs of low income and other vulnerable persons and the community at large. The Corporation often works with community groups to identify needs, strengthen existing community programs, and plan newly needed services It provides a wide-ranging array of community benefit services designed to improve community health and the health of individuals and to increase access to health care, in addition to providing free and discounted services to people who are uninsured and underinsured. The Corporation's excellence in community benefit programs was recognized by the prestigious Foster McGaw Prize awarded to the Corporation in 2003 for its broad-based outreach in building collaboratives that make measurable improvements in health status, expand access to care, and build community capacity so that patients receive care closest to their own neighborhoods Drawing on a dynamic and flexible structure, the community benefit programs are designed to respond to assessed needs and are focused on upstream prevention

As Southwest Georgia's leading provider of cost-effective, patient-centered health care, the Corporation is also the region's largest employer with more than 3,600 members of the Phoebe Family caring for patients. The Corporation participates in the Medicare and Medicaid programs and is one of the leading providers of Medicaid services in Georgia.

See independent auditor's report on supplemental information

The following table summarizes the amounts of charges foregone (i e , contractual adjustments) and estimates the losses incurred by the Corporation due to inadequate payments by these programs and for indigent/charity This table does not include discounts offered by the Corporation under managed care and other agreements

	Charges Foregone	Estimated Unreimbursed Cost
Medicare	$ 375,700,000	$ 68,800,000
Medicaid	143,700,000	23,900,000
Indigent/charity	62,000,000	24,000,000
	$ 581,400,000	$ 116,700,000

The following is a summary of the community benefit activities and health improvement services offered by the Corporation and illustrates the activities and donations during fiscal year 2012

I. Community Health Improvement Services

A Community Health Education

The Corporation provides health education services that reached 37,000 individuals in 2012 at a cost of $787,000. These services included the following free classes and seminars

- Prepared childbirth classes
- Refresher childbirth classes
- Pregnancy classes
- Breastfeeding classes
- Lactation consulting
- Teen Maze
- Health Teacher Training
- Nutrition and Diabetes Education
- Breast Cancer Awareness
- K-12 Health Fairs
- Cancer Prevention
- Sun Safety
- Golden Key Health Seminars
- Support Groups

See independent auditor s report on supplemental information.

I. Community Health Improvement Services, Continued

A. Community Health Education, Continued

The Corporation is involved in many activities aimed at educating the community about health-related topics. Examples of these activities are a comprehensive health information magazine-format newsletter at a cost of $25,000; a monthly health information newsletter distributed to 20,000 senior citizens at a cost of $55,000, and frequent ongoing health seminars held at Phoebe Northwest free of charge and attracting audiences ranging from 30 to 150 persons. The Corporation also produces public service television campaigns called "Do It For Life," frequently featuring celebrity personalities. These campaigns urge viewers to adopt healthy lifestyle changes and to participate in screenings for cancer, heart disease, diabetes, and other diseases. Videos on heart and stroke prevention and action, as well as videos on cancer treatment care, are available to the general public and to patients. Many staff members of the Corporation also lend their time to schools and civic organizations to speak on health issues.

Camp Good Grief

The Corporation hosts Camp Good Grief, an annual event held at Potter's Community Center. This free event is for children who have experienced the loss of a loved one. The event provides a host of activities designed to help the participants deal with their grief. The event concludes with a memorial service. This year 40 children attended the 2-day event at a cost of $11,000.

Men and Women's Health Conferences

The Corporation holds Men's and Women's Annual Health Conferences that provide health screenings for PSA, cholesterol, HIV/AID, blood pressure, hearing and vision, health information, speakers, and fellowship to more than 1,900 attendees. The health conference programs provide outreach, health screenings, educational programs, and health conferences and events. These programs target men and women at risk of poor health status. The programs target men and women without a primary care physician and who are uninsured, and men and women without knowledge of recommended preventive health care services. The Corporation also runs public service television spots on breast cancer awareness and breast health, as well as announcements on prostate cancer, heart health, high blood pressure, child transportation safety, and smoking cessation. The following are examples of Men's Health Initiative programs:

See independent auditor's report on supplemental information

I. Community Health Improvement Services, Continued

A Community Health Education, Continued

- **Men at Work** – This event has taken place for the last six years, serving the city of Albany, Dougherty County, and the Water, Gas and Light male employees This is a program that The Corporation does in partnership with the American Cancer Society, Dr. Ajayi/Southwest GA Urology Clinic, the City/County, and Subway, who supplies food for free. This event is held in our downtown Government Center and the men are allowed a liberal leave so that they can get their PSA screenings, visit our various educational booths, and have lunch with the doctor At each event over 125 men are served

- **Fired-up-for-Fitness** – As a way to increase physical activity and promote mental health, the Albany Fire Department (AFD) instituted the Fired Up for Fitness program in 2009. This program was motivated by the AFD's desire to develop a program to address both employee wellness and improved job performance The goal of the Fired Up for Fitness program is to improve the firefighters' physical condition (primarily through weight loss), thereby preventing heart attacks and reducing lost work hours due to cardiovascular events and other chronic health problems With funding from a Department of Homeland Security grant, in June, 2009 the AFD purchased and installed exercise equipment for each of its 11 fire stations. The core component of the Fired Up for Fitness program is a mandatory department-wide physical fitness policy that requires that all suppression personnel (firefighters) use the exercise equipment for at least one hour during each 24-hour shift worked The mandatory policy was implemented in February 2010 The AFD partnered with Phoebe Corporate Health Center (PCHC), part of the Corporation, to offer an educational component to the Fired Up for Fitness program PCHC engaged experts to present sessions on the following topics cooking healthy (taught by a chef), nutrition (taught by a dietitian), stress management (taught by a psychiatrist), and medication adherence (taught by a pharmacist)

- **Men's Prostate Health Clinic** – This annual event is in its thirteenth year Men are given a digital rectal exam (DRE) as well as a PSA DRE's are performed by the Corporation's Radiation Oncologist and physicians from Albany Urology, who volunteer their time. Over 198 men from all demographic groups are reached at this event

I. Community Health Improvement Services, Continued

A. Community Health Education, Continued

Golden Key

This is a membership organization for people age 55 and older. With 23,688 members, Golden Key offers programs that encourage healthy lifestyles including the privilege of walking at the Corporation's Physical Medicine complex. To its members, it provided a bi-monthly newsletter (Key Notes). In 2012, the unreimbursed cost was $166,000.

Network of Trust

This is a nationally recognized program aimed at teen mothers to prevent repeat pregnancies, provide parenting skills, and complete high school This program also includes a teen father program along with other teenaged children programs Network of Trust enrolled 319 teen parents during the 2011/2012 school year at a cost of $250,000

B. Community Based Clinical Services

Flu Shots

The Corporation provides free flu shots to volunteers In 2012, the Corporation administered 612 flu shots at an unreimbursed cost of $11,000

School Nurse Program

The Corporation places nurses in sixteen elementary schools, six middle schools, and four high schools in Dougherty County with a goal of creating access to care for students and staff, assessing the health care status of each population represented, and effectively establishing referrals for all health care needs. Nurses also conducted the Eighth Grade Health Fairs During the 2011/2012 school year, the school nurse program covered 90,000 student visits This program was operated at a cost of $1,346,000 in 2012

I. Community Health Improvement Services, Continued

C Health Care Support Services

New Foundations

The Corporation offers New Foundation Breast Forms and Fashion Boutique New Foundations caters to the physical and mental well-being of women and their families They provide one-on-one post mastectomy consultation to help women overcome their anxieties and feel better about themselves They carry a large variety of prosthesis and also have a wide selection of clothing. They conduct support groups, seminars, and exercise classes and help patients with breast cancer issues This department saw 1,782 patients and operated at an unreimbursed cost in 2012 of $13,000.

Lights of Love Vans

Lights of Love donated vans to the Corporation to transport cancer patients to and from the hospital for their treatments In 2012, Phoebe Lights of Love provided 143 patient transports at a cost of $104,000

Phoebe Care Representatives

Phoebe Care Representatives assist patients and citizens with pre-qualifying for free or reduced-cost medical care before medical attention is needed by applying for the Phoebe Care Card This is accepted at the hospital as well as at hospital-affiliated specialty clinics. To ensure this program is accessible and understood by its intended beneficiaries, the Corporation employs Phoebe Care Representatives to assist patients in various ways Their services include helping with applications to medical assistance programs not limited to the Phoebe Care Card and providing information on how to access assistance with medicine, food, clothing, shelter, medical transportation, and more.

The Phoebe Cares Department assisted 6,263 patients during the year and operated at a net unreimbursed cost of $410,000 in 2012. Patients who qualify for the Phoebe Care Card are provided millions of dollars of uncompensated care annually, and the total amount of community benefit provided by the program is included in the amount of charity care reported in the Corporation's financial statements.

I. Community Health Improvement Services, Continued

C Health Care Support Services, Continued

- Indigent Financial Assistance

  Patients whose income is below 125% of the Federal Poverty Levels are classified as indigent and receive care at no cost

- Charity Financial Assistance

  Patients whose income level is between 126% - 200% of the Federal Poverty Levels are classified as charity These patients will be responsible for a percentage of the Hospital charges. This percentage will be based on calculations using the Federal Poverty Levels that are published in the "Federal Register" each year. If it is determined the patient responsibility will be an undue hardship on the patient/guarantor, these cases will be reviewed on an individual basis with the Phoebe Cares Supervisor for possible catastrophic charity based on sliding scale guidelines

- Catastrophic Financial Assistance

  Patients whose income exceeds 200% of the Federal Poverty Levels and whose hospital charges exceed 25% of their annual income, resulting in excessive hardship, are eligible for a discount up to 75% of the patient balance The patient may pay the remaining balance over 24 months

II. Health Professions Education

The Corporation recognizes that to continuously improve the company's long-term value to our community and our customers, to encourage life-long learning among employees, and to achieve a world-class employer status, it is in the Corporation's best interest to provide opportunities that will assist eligible employees in pursuing formal, healthcare-related educational opportunities The Corporation also provides non-employees financial support in pursuing healthcare-related degrees In fiscal year 2012, the Corporation provided $1,282,000 in clinical supervision and training of 1,269 nursing students, and an additional $348,000 in clinical supervision and training to pharmacy, pharmacy techs, and other health professionals

III. Subsidized Health Services

A Hospital Outpatient Services

Phoebe Family Medical Centers

The Corporation has a strong commitment to primary care for the Southwest Georgia region The family of medical centers in the surrounding counties are a network of care that serves the entire family closest to where people live. In 2012, the rural clinics operated at a net loss of $29,000 and the Pelham clinic operated at a net loss of $121,000

Convenient Cares

The Corporation's Convenient Care provides treatment for minor injuries and ailments in a more timely fashion and at a more reasonable cost than an emergency center. In 2012, the clinics operated at a net loss of $1,212,000

Phoebe Specialty Clinics

- Phoebe Gastroenterology Associates has been a part of providing exceptional patient care for more than 30 years and treats virtually every kind of gastrointestinal related healthcare problem. In 2012, this clinic operated at a net loss of $421,000

- The Behavioral Health Clinic provides treatment for adults and adolescents with addictive diseases and/or psychiatric disorders In 2012, this clinic operated at a net loss of $450,000

- The Corporation operates a specialty clinic encompassing Endocrinology, Rheumatology, and Physiatry. The clinic offers medical care on a referral basis to inpatients and outpatients with endocrine or rheumatoid problems or with physical medicine or rehabilitation needs The clinic operated at a net loss of $351,000 in 2012

III. Subsidized Health Services, Continued

A Hospital Outpatient Services, Continued

Phoebe Specialty Clinics, Continued

- Maternal/Fetal Medicine program is for high risk mothers and pregnant women who need specialized care It serves this perinatal region In 2012, this clinic operated at a net loss of $48,000

- The Corporation operates Neurosurgery and Neurology practices that provide two neurosurgeons and two neurologists to our community, improving access to care in several settings, including trauma care in the Emergency Department and community health forums This department operated at a net loss of $931,000

- The Corporation offers an Infectious Disease Clinic This clinic is primarily directed at providing treatment to those who have chronic and acute infectious diseases and to terminally ill persons in need of pain management In 2012, this clinic operated at a net loss of $117,000

- The Corporation operates a comprehensive Cardiac program which performs open heart, thoracic and vascular procedures, including the region's only electrophysiology and peripheral vascular intervention procedures as well as community angio screenings This group operated at a net loss of $1,132,000

- The Corporation operates a special seniors clinic at the Camilla Senior Center, set up for this population to have a comfortable atmosphere in which to access physician care, including a kitchen area and gathering places The Center operated at a net loss of $11,000 for 2012

- Lee QuickCare Clinic provides walk-in treatment for common illnesses and conditions after hours, 6 p m to 10 p.m., Mondays through Fridays The staff serves non-urgent patients and can prescribe medications when indicated. The clinic operated at a net loss of $60,000

III. Subsidized Health Services, Continued

A Hospital Outpatient Services, Continued

Phoebe Specialty Clinics, Continued

- The Corporation operates a Surgical Oncology Department in its Cancer Center. This practice surgically treats and manages cancers primarily of the esophagus, stomach, liver, pancreas, colon, breast and skin, and soft tissues. The surgical oncologist also serves as a distinguished scholar for the Georgia Cancer Coalition and conducts clinical research and is working on elevating the level of cancer care in the region. The clinic operated at a loss of $155,000.

- The Corporation operates a Wound Care and Hyberbaric Center with two satellite clinics in Sylvester and Americus, Georgia for advanced wound care treatments. The Center provides treatment for chronic wounds that have resisted healing and hyperbaric oxygen therapy. The Center operated at a net loss of $30,000.

- The Corporation provides palliative care to patients in Southwest Georgia with a limited life expectancy. In 2012, the department operated at a net loss of $79,000.

Residency Program

The Southwest Georgia Family Medicine Residency Program is an award winning facility continuously addressing the shortage of health care professionals in the region. Their primary mission is to train family physicians to practice in rural Southwest Georgia.

Established in 1993, this program offers a rich opportunity for physicians to develop as strong clinicians capable of delivering high-quality primary care in any setting. The need for medical services in this rural region is great. The region has high incidences of cancer, heart attack, stroke and other diseases, and the need for medical and outreach services are tremendous. The program has successfully diverted persons without access from costly emergency rooms to appropriate primary care settings. In 2012, this program showed a net loss of $902,000.

III. Subsidized Health Services, Continued

B Women's and Children's Services

The Corporation supports midwifery services provide by Albany Area Primary Health Care (a federally qualified health clinic) to women without access to prenatal care The program is a needed intervention and impacts mother and baby health, including infant mortality rates, by reaching women who otherwise would arrive at the hospital with adequate prenatal care The Corporation provided $205,000 to the Midwifery program during the fiscal year

C Other Subsidized Services

Inmate Care

The Corporation provides care to persons in jail for Dougherty County In 2012, the Corporation provided $780,000 of unreimbursed medical and drug treatment to 298 inmates

Indigent Drug Pharmacy

Indigent Drug Pharmacy provides medication upon discharge to patients that are either indigent or uninsured In 2012, the pharmacy assisted 1,584 patients at a cost of $257,000

IV. Clinical Research

The Corporation offers clinical trials to cancer patients who are residents of Southwest Georgia. In 2012, 116 patients elected to participate at an estimated cost of $735,000 The Corporation is also a regional site for the collection of tissue for the statewide Tumor, Tissue and Serum Biorepository

V. Financial and In-Kind Support

In 2012, the Corporation provided $562,000 in cash donations and in-kind support to non-profit organizations in Southwest Georgia. Listed are some highlights:

- The Cancer Coalition of South Georgia received $188,000 for staff support and various projects.
- Installing Health Teacher into classrooms throughout Southwest Georgia received $62,000
- Graceway Recovery for Women received a cash donation of $5,000 to partially fund a van purchase
- 100 Black Men of Albany, GA received a $5,000 donation for the robotics program
- Albany Marathon received a $20,000 donation to raise funds for hospice services
- A $50,000 donation was made to Move the Mountain for a national development center in Albany with the goal of reducing poverty
- In-kind support of foregone rent to 17 non-profit organizations at an estimated cost of $174,000.

VI. Community Building Activities

A Economic Development

As a corporate citizen, the Corporation is involved in various economic development activities throughout the year. In 2012, the Corporation contributed $104,000 to various economic development initiatives in the community

See independent auditor's report on supplemental information.

VI. Community Benefit Operations

The Corporation incurred $213,000 to support staff and community health needs assessment costs

Summary

	2012
Community Health Improvement Services:	
Community Health Education	$ 787,000
Community Based Clinical Services	1,357,000
Healthcare Support Services	527,000
Total community health improvement services	**2,671,000**
Health Professions Education:	
Nurses/nursing students	1,282,000
Other health professional education	348,000
Total health professions education	**1,630,000**
Subsidized Health Services:	
Hospital outpatient services	5,599,000
Women's and children's services	205,000
Behavioral health services	450,000
Other subsidized health services	1,037,000
Total subsidized health services	**7,291,000**
Research:	
Clinical research	735,000
Total research	**735,000**

VI. Community Benefit Operations, Continued

Summary, Continued

	2012
Financial and In-Kind Support:	
Cash donations	$ 321,000
In-kind donations	241,000
Total financial and in-kind support	**562,000**
Community Building Activities:	
Other economic development activities	104,000
Total community building activities	**104,000**
Community Benefit Operations:	
Dedicated staff and other resources	213,000
Total community benefit operations	**213,000**
Other:	
Traditional charity care – estimated unreimbursed cost of charity services	24,000,000
Unpaid cost of Medicare services – estimated unreimbursed cost of Medicare services	68,800,000
Unpaid cost of Medicaid services – estimated unreimbursed cost of Medicaid services	23,900,000
Total other	**116,700,000**
Total summary	**$ 129,906,000**

This report has been prepared in accordance with the Community Benefit reporting guidelines established by Catholic Health Association (CHA) and VHA The Internal Revenue Services' requirements for reporting community benefits are different than the guidelines under which this report has been prepared.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC

FINANCIAL STATEMENTS

for the years ended July 31, 2012 and 2011

CONTENTS

	Pages
Independent Auditor's Report	1-2
Financial Statements	
Balance Sheets	3-4
Statements of Operations and Changes in Net Assets	5-6
Statements of Cash Flows	7-8
Notes to Financial Statements	9-46
Independent Auditor's Report on Supplemental Information	47
Service to the Community	48-61

Draffin & Tucker, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Member
THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Phoebe Putney Memorial Hospital, Inc
Albany, Georgia

We have audited the balance sheets of Phoebe Putney Memorial Hospital, Inc. as of July 31, 2012 and 2011, and the related statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the financial position of Phoebe Putney Memorial Hospital, Inc. as of July 31, 2012 and 2011, and the results of its operations and changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Continued

PO Box 6
2617 Gillionville Road
Albany, GA 31702-0006
Tel (229) 883-7878
Fax (229) 435-3152

Five Concourse Parkway
Suite 1250
Atlanta GA 30328
Tel (404) 220-8494
Fax (229) 435-3152

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2012, on our consideration of Phoebe Putney Memorial Hospital, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Draffin + Tucker, LLP

Albany, Georgia
November 7, 2012

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC

BALANCE SHEETS, July 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 70,939,255	$ 233,719,555
Assets limited as to use – current	1,664,022	1,570,155
Patient accounts receivable, net of allowance for doubtful accounts of $89,000,000 in 2012 and $107,000,000 in 2011	78,551,918	79,048,785
Supplies, at lower of cost (first-in, first-out) or market	7,120,264	7,157,596
Estimated third-party payor settlements	6,545,126	1,837,241
Other current assets	3,401,266	4,123,214
Total current assets	168,221,851	327,456,546
Assets limited as to use:		
Internally designated for capital improvements	16,145,491	15,990,105
Under bond indenture agreement	1,664,022	1,570,155
Total assets limited as to use	17,809,513	17,560,260
Less amount required to meet current obligations	1,664,022	1,570,155
Assets limited as to use – long-term	16,145,491	15,990,105
Property and equipment, net	278,233,195	264,997,593
Other assets:		
Interest in net assets of Phoebe Foundation, Inc	11,357,360	10,639,593
Deferred financing cost	3,029,453	3,648,223
Goodwill	11,340,057	11,340,057
Related party receivables	184,257,320	-
Other assets	3,305,250	3,577,692
Total other assets	213,289,440	29,205,565
Total assets	$ 675,889,977	$ 637,649,809

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

BALANCE SHEETS, July 31, 2012 and 2011

	2012	2011
LIABILITIES AND NET ASSETS		
Current liabilities:		
Current portion of long-term debt	$ 4,715,000	$ 5,262,089
Short-term debt	100,000,000	-
Accounts payable	15,927,169	19,404,442
Accrued expenses	25,309,608	33,633,372
Total current liabilities	145,951,777	58,299,903
Long-term debt, net of current portion	209,064,518	213,701,938
Accrued pension cost	138,899,342	83,065,990
Related party payables	-	60,794,379
Derivative financial instruments	14,035,472	4,606,557
Total liabilities	507,951,109	420,468,767
Net assets		
Unrestricted	161 324,123	210,984,786
Temporarily restricted	5,033,647	4,769,727
Permanently restricted	1,581,098	1,426,529
Total net assets	167,938,868	217,181,042
Total liabilities and net assets	$ 675,889,977	$ 637,649,809

See accompanying notes to financial statements

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
for the years ended July 31, 2012 and 2011

	2012	2011
Unrestricted revenues, gains and other support:		
Net patient service revenue	$ 510,591,675	$ 490,875,153
Other revenue	13,321,929	13,879,109
Total revenues, gains and other support	523,913,604	504,754,262
Expenses:		
Salaries and wages	164,089,902	154,304,018
Employee health and welfare	45,718,683	52,532,787
Medical supplies and other	164,153,830	152,196,081
Professional fees	2,545,433	3,929,949
Purchased services	56,901,202	63,337,256
Depreciation and amortization	25,425,813	25,466,359
Interest	5,660,312	5,570,389
Provision for bad debts	43,996,875	40,416,741
Total expenses	508,492,050	497,753,580
Operating income	15,421,554	7,000,682
Nonoperating gains:		
Investment income (loss)	(6,361,479)	4,683,331
Excess revenues	9,060,075	11,684,013
Change in interest in net assets of Phoebe Foundation, Inc	256,496	336,887
Net assets released from restrictions	42,782	125,450
Transfer to Hospital Authority of Albany-Dougherty County	-	(941,358)
Net actuarial gain (loss)	(62,349,691)	2,677,828
Amortization of prior service cost	181,422	181,422
Amortization of net gain	3,276,175	3,128,115
Other changes in unrestricted net assets	(127,922)	-
Increase (decrease) in unrestricted net assets	(49,660,663)	17,192,357

Continued

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS, Continued
for the years ended July 31, 2012 and 2011

	2012	2011
Temporarily restricted net assets		
Change in interest in net assets of Phoebe Foundation, Inc.	$ 306,702	$ 466,429
Net assets released from restriction	(42,782)	(125,450)
Increase in temporarily restricted net assets	263,920	340,979
Permanently restricted net assets		
Change in interest in net assets of Phoebe Foundation, Inc.	154,569	370,134
Increase (decrease) in net assets	(49,242,174)	17,903,470
Net assets, beginning of year	217,181,042	199,277,572
Net assets, end of year	$ 167,938,868	$ 217,181,042

See accompanying notes to financial statements.

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC.

STATEMENTS OF CASH FLOWS
for the years ended July 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Increase (decrease) in net assets	$(49 242,174)	$ 17,903,470
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	25,425,813	25,466,359
Change in interest in net assets of Phoebe Foundation, Inc.	(717,767)	(1,173,450)
Changes in		
Receivables	496,867	(18,219,084)
Supplies	37,332	(157,609)
Estimated third-party payor settlements	(4,707,885)	(6,058 274)
Other assets	1,613,160	(206,000)
Accounts payable and accrued expenses	(11,801,037)	3,263,600
Accrued pension cost	55,833,352	(911,425)
Related party receivables/payables	83,255,295	68,027,923
Derivative financial instruments	9,428,915	(2,592,913)
Net cash provided by operating activities	109,621,871	85,342,597
Cash flows from investing activities		
Purchase of property and equipment	(38,661,415)	(32,610,934)
Purchase of investments	(5,134,929)	(33,752,768)
Sale of investments	4,885,676	18,117,438
Payments from related parties	-	39,000,000
Payments to related parties	(328,306,994)	(67,000,000)
Net cash used by investing activities	(367,217,662)	(76,246,264)

Continued

PHOEBE PUTNEY MEMORIAL HOSPITAL, INC

STATEMENTS OF CASH FLOWS, Continued
for the years ended July 31, 2012 and 2011

	2012	2011
Cash flows from financing activities		
Payments on long-term debt	$(5,184,509)	$(5,048,560)
Proceeds from issuance of short-term debt	100,000,000	-
Net cash provided (used) by financing activities	94,815,491	(5,048,560)
Increase (decrease) in cash and cash equivalents	(162,780,300)	4,047,773
Cash and cash equivalents, beginning of year	233,719,555	229,671,782
Cash and cash equivalents, end of year	$ 70,939,255	$ 233,719,555
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	$ 5,800,000	$ 5,700,000

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1 Summary of Significant Accounting Policies

Organization

Phoebe Putney Memorial Hospital, Inc , (Corporation) located in Albany, Georgia, is a not-for-profit acute care hospital which operates satellite clinics in the surrounding counties. The Corporation provides inpatient, outpatient and emergency care services for residents of Southwest Georgia Admitting physicians are primarily practitioners in the local area The Corporation is a single operating entity and is a wholly owned subsidiary of Phoebe Putney Health System, Inc (System)

Reorganization

Effective September 1, 1991, the Hospital Authority of Albany-Dougherty County, Georgia (Authority) implemented a reorganization plan for the Hospital whereby all the assets, management and governance of the Hospital was transferred to Phoebe Putney Memorial Hospital, Inc , a not-for-profit corporation, qualified as an organization described in Section 501(c)3 of the Internal Revenue Code, pursuant to a Lease and Transfer Agreement. During 2009, the lease term was renewed for an additional forty years with a nominal annual lease payment Subsequent to year end, the lease was amended. See Note 23 for additional details.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less The Corporation routinely invests its surplus operating funds in money market mutual funds

Continued

1. Summary of Significant Accounting Policies, Continued

Allowance for Doubtful Accounts

The Corporation provides an allowance for doubtful accounts based on the evaluation of the overall collectibility of the accounts receivable. As accounts are known to be uncollectible, the account is charged against the allowance

Supplies

Supplies, which consist primarily of drugs, food, and medical supplies, are valued at first-in, first-out cost, but not in excess of market.

Investments

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

Derivative Financial Instruments

The Corporation has entered into interest rate swap agreements as part of its interest rate risk management strategy These arrangements are accounted for under the provisions of FASB ASC 815 *Derivatives and Hedging* FASB ASC 815 establishes accounting and reporting standards requiring that derivative instruments be recorded at fair value as either an asset or liability

For derivative instruments that are designated and quality as a cash flow hedge (i e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the effective portion of the gain or loss on the derivative instrument is reported as a component of unrestricted net assets The ineffective component, if any, is recorded in excess revenues in the period in which the hedge transaction affects earnings If the hedging relationship ceases to be highly effective or it becomes probable that an expected transaction will no longer occur, gains or losses on the derivative are recorded in excess revenues For derivative instruments not designated as hedging instruments, the unrealized gain or loss is recognized in nonoperating gains during the period of change.

Continued

1 Summary of Significant Accounting Policies, Continued

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture agreements and designated 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 Amounts required to meet current liabilities of the Corporation have been reclassified in the balance sheet at July 31, 2012 and 2011

Property and Equipment

Property and equipment acquisitions are recorded at cost Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Beneficial Interest in Net Assets of Foundation

The Corporation accounts for the activities of its related Foundation in accordance with FASB ASC 958-20, *Not-For-Profit Entities, Financially Interrelated Entities*. FASB ASC 958-20 establishes reporting standards for transactions in which a donor makes a contribution to a not-for-profit organization which accepts the assets on behalf of or transfers these assets to a beneficiary which is specified by the donor Phoebe Foundation, Inc accepts assets on behalf of the Corporation.

Continued

1 Summary of Significant Accounting Policies, Continued

Goodwill

Under FASB authoritative guidance, goodwill and intangible assets with indefinite lives are no longer amortized, but are tested for impairment annually and more frequently in the event of an impairment indicator The accounting standard also requires that intangible assets with definite lives be amortized over their respective estimated useful lives, and reviewed whenever events or circumstances indicate impairment may exist.

FASB authoritative guidance requires that a two-step test be performed to assess goodwill for impairment First, the fair value of each reporting unit is compared to its carrying value The fair values are computed by the Corporation utilizing the discounted cash flow method. If the fair value exceeds the carrying value, goodwill is not impaired and no further testing is performed. The second step is performed if the carrying value exceeds the fair value The implied fair value of the reporting unit's goodwill must be determined and compared to the carrying value of the goodwill If the carrying value of a reporting unit's goodwill exceeds its implied fair value, an impairment loss equal to the difference will be recorded

As of July 31, 2012 and 2011, the Corporation had goodwill of approximately $11,340,000, which is subject to the impairment tests prescribed under the authoritative guidance In accordance with the accounting standard, the Corporation has elected July 31st as its annual impairment assessment date. The Corporation completed its annual impairment assessment and concluded that no goodwill or indefinite lived intangible asset impairment charge was required.

Deferred Financing Cost

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

Temporarily and Permanently Restricted Net Assets

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

Continued

1 Summary of Significant Accounting Policies, Continued

Excess Revenues

The statement of operations and changes in net assets includes excess revenues Changes in unrestricted net assets which are excluded from excess revenues, 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, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

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

Charity Care

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

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires,

Continued

1. Summary of Significant Accounting Policies, Continued

Donor-Restricted Gifts, Continued

that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements

Estimated Malpractice and Other Self-Insurance Cost

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

Income Taxes

The Corporation is a not-for-profit corporation that has been recognized as tax-exempt pursuant to Section 501(c)3 of the Internal Revenue Code

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

Based on the results of management's evaluation, no liability is recognized in the accompanying balance sheet for unrecognized income tax positions Further, no interest or penalties have been accrued or charged to expense as of July 31, 2012 and 2011 or for the years then ended. The Corporation's open audit periods are for tax years ended 2009-2011.

Continued

1 Summary of Significant Accounting Policies, Continued

Impairment of Long-Lived Assets

The Corporation evaluates on an ongoing basis the recoverability of its assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is required to be recognized if the carrying value of the asset exceeds the undiscounted future net cash flows associated with that asset. The impairment loss to be recognized is the amount by which the carrying value of the long-lived asset exceeds the asset's fair value In most instances, the fair value is determined by discounted estimated future cash flows using an appropriate interest rate The Corporation has not recorded any impairment charges in the accompanying statements of operations and changes in net assets for the years ended July 31, 2012 and 2011

Fair Value Measurements

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

- Level 1 Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities The fair value hierarchy gives the highest priority to Level 1 inputs

- Level 2 Observable prices that are based on inputs not quoted on active markets but corroborated by market data

- Level 3· Unobservable inputs when there is little or no market data available, thereby requiring an entity to develop its own assumptions The fair value hierarchy gives the lowest priority to Level 3 inputs

Continued

1 Summary of Significant Accounting Policies, Continued

Recently Issued Accounting Pronouncement

In July 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* The ASU requires health care entities to change the presentation of the statement of operations by reclassifying the provision for doubtful accounts from an operating expense to a deduction from patient service revenues Additionally, the guidance requires enhanced disclosures about the policies for recognizing revenue, assessing bad debts and qualitative and quantitative information about the changes in the allowance for doubtful accounts The guidance is effective for fiscal years beginning after December 15, 2011, with early adoption permitted The Corporation has not early adopted this guidance While this standard will have no impact on the Corporation's financial position or results of operations, it will require the Corporation to reclassify the provision for bad debts from operating expenses to a component of net revenues for the fiscal year ended July 31, 2013, with retrospective application required.

In 2012, the Corporation adopted the provisions of Financial Accounting Standards Board Accounting Standards Update (ASU) No 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* Under the ASU, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities are to be presented separately on the balance sheet The Corporation's adoption of the ASU did not have a material effect on the financial statements

Subsequent Event

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through November 7, 2012, the date the financial statements were issued

Prior Year Reclassifications

Certain reclassifications have been made to the fiscal year 2011 financial statements to conform to the fiscal year 2012 presentation The reclassifications had no impact on the change in net assets in the accompanying financial statements

Continued

2 Net Patient Service Revenue

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

Revenue from the Medicare and Medicaid programs accounted for approximately 42% and 17%, respectively, of the Corporation's net patient revenue for the year ended July 31, 2012 and 41% and 17%, respectively, of the Corporation's net patient revenue for the year ended July 31, 2011 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined

The Corporation believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing However, there has been an increase in regulatory initiatives at the state and federal levels including the initiation of the Recovery Audit Contractor (RAC) program and the Medicaid Integrity Contractor (MIC) program These programs were created to review Medicare and Medicaid claims for medical necessity and coding appropriateness. The RAC's have authority to pursue improper payments with a three year look back from the date the claim was paid Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

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

- Medicare

  Inpatient acute care and rehabilitation services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

  Inpatient psychiatric services rendered to Medicare program beneficiaries are paid at prospectively determined per diems

Continued

2 Net Patient Service Revenue, Continued

- Medicare, Continued

The Corporation is reimbursed for certain reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicare Administrative Contractor (MAC) The Corporation's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Corporation The Corporation's Medicare cost reports have been audited by the MAC through July 31, 2006

- Medicaid

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate per admission These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology.

The Corporation is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Corporation and audits thereof by the Medicaid fiscal intermediary. The Corporation's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through July 31, 2009

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

The Corporation participates in the Georgia Indigent Care Trust Fund (ICTF) Program The Corporation receives ICTF payments for treating a disproportionate number of Medicaid and other indigent patients ICTF payments are based on the Corporation's estimated uncompensated cost of services to Medicaid and uninsured patients The amount of ICTF payments recognized in net patient service revenue was approximately $5,480,000 and $7,225,000 for the years ended July 31, 2012 and 2011, respectively

Continued

2 Net Patient Service Revenue, Continued

- Medicaid, Continued

The Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) provides for payment adjustments to certain facilities based on the Medicaid Upper Payment Limit (UPL). The UPL payment adjustments are based on a measure of the difference between Medicaid payments and the amount that could be paid based on Medicare payment principles. The net amount of UPL payment adjustments recognized in net patient service revenue was approximately $1,455,000 and $3,299,000 for the years ended July 31, 2012 and 2011, respectively

During 2010, the state of Georgia enacted legislation known as the Provider Payment Agreement Act (the Act) whereby hospitals in the state of Georgia are assessed a "provider payment" in the amount of 1 45% of their net patient revenue The Act became effective July 1, 2010, the beginning of state fiscal year 2011 The provider payments are due on a quarterly basis to the Department of Community Health The payments are to be used for the sole purpose of obtaining federal financial participation for medical assistance payments to providers on behalf of Medicaid recipients The provider payment will result in an increase in hospital payments on Medicaid services of approximately 11.88% Approximately $5,665,000 and $5,686,000 relating to the Act is included in medical supplies and other in the accompanying statement of operations and changes in net assets for the years ended July 31, 2012 and 2011, respectively

- Other Arrangements

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

Continued

3 Uncompensated Services

The Corporation was compensated for services at amounts less than its established rates Charges for uncompensated services for 2012 and 2011 were approximately $735,900,000 and $708,500,000, respectively

Uncompensated care includes charity and indigent care services of approximately $62,000,000 and $69,400,000 in 2012 and 2011, respectively. The cost of charity and indigent care services provided during 2012 and 2011 were approximately $24,000,000 and $27,400,000, respectively computed by applying a total cost factor to the charges foregone.

The following is a summary of uncompensated services and a reconciliation of gross patient charges to net patient service revenue for 2012 and 2011

	2012	2011
Gross patient charges	$ 1,202,451,005	$ 1,158,938,123
Uncompensated services		
Charity and indigent care	62,005,935	69,446,875
Medicare	375,743,112	354,345,303
Medicaid	143,715,250	145,269,933
Other allowances	110,395,033	99,000,859
Bad debts	43,996,875	40,416,741
Total uncompensated care	735,856,205	708,479,711
Less bad debts	43,996,875	40,416,741
Deductions from patient service revenue	691,859,330	668,062,970
Net patient service revenue	$ 510,591,675	$ 490,875,153

Continued

4 Investments

Assets Limited as to Use

The composition of assets limited as to use at July 31, 2012 and 2011 is set forth in the following table. Assets limited as to use are trading and are stated at fair value

	2012	2011
By board for capital improvements:		
Money market funds	$ 44,435	$ 99,133
Certificates of deposit	366,170	360 754
Mutual funds – index funds	2,404,188	3,772.463
Mutual funds – fixed income funds	1,959,875	1,869.158
Mutual funds – total return funds	1,600,000	-
Alternative investments in hedge funds	8,926,349	8,846.201
Common collective trusts invested in equity securities	844,474	1,042.396
Total board restricted for capital improvements	16,145,491	15,990,105
Under bond indenture agreement		
Government debt securities	1,664.022	1.570,155
Total assets limited as to use	$ 17,809,513	$ 17,560,260

Hedge funds include investments in various funds that invest in both long and short primarily in U S. common stocks Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position The fair value of the investments in this category has been estimated using the net asset value per share of the investments with realized and unrealized gains and losses reflected in investment income. These securities have no unfunded commitments and are redeemed based on the timing of the investments and the managers' terms which vary across the portfolio.

Continued

4 Investments, Continued

Assets Limited as to Use, Continued

The Corporation has classified all marketable securities as trading securities These trading securities are bought and held for the purpose of selling them in the near term and are reported at fair value, with unrealized gains and losses recognized in earnings The estimated fair value of substantially all securities is based on similar types of securities that are traded in the market. Gains and losses on securities sold are based on the specific identification method

Investment income and gains and losses for assets limited as to use are comprised of the following for the years ending July 31, 2012 and 2011:

	2012	2011
Dividend income	$ 60,229	$ 145,787
Interest income	791,298	966,097
Realized gains (losses) on sales of securities	226,859	45,708
Investment expenses	(54,942)	(31,673)
Unrealized gains (losses)	(82,178)	869,498
Total	$ 941,266	$ 1,995,417

The Corporation's investments are exposed to various risks such as interest rate, market and credit risks Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements

Continued

5. Property and Equipment

A summary of property and equipment at July 31, 2012 and 2011 follows

	2012	2011
Land	$ 7,471,578	$ 7,478,828
Land improvements	2,403,512	2,403,512
Building	278,719,449	278,719,448
Equipment	263,605,208	241,926,385
	552,199,747	530,528,173
Less accumulated depreciation	330,603,541	305,215,249
	221,596,206	225,312,924
Construction in progress	56,636,989	39,684,669
Net property and equipment	$ 278,233,195	$ 264,997,593

Depreciation expense for the years ended July 31, 2012 and 2011 amounted to approximately $25,400,000 and $25,500,000, respectively

Construction contracts exist for various projects at year end with a total commitment of $35,900,000. At July 31, 2012, the remaining commitment on these contracts approximated $10,500,000.

6 Deferred Financing Costs

Bond issue costs and loan origination fees are amortized over the life of the debt instrument. Amortization expense and write-offs for the years ended July 31, 2012 and 2011 amounted to approximately $600,000 and $200,000, respectively

Continued

7 Goodwill and Other Assets

A summary of goodwill and other assets at July 31, 2012 and 2011 follows

	2012	2011
Goodwill	$ 11,340,057	$ 11,340,057
Long-term receivables	$ 3,006,703	$ 3,303,126
Other investment	298,547	274,566
Total other assets	$ 3,305,250	$ 3,577,692

Goodwill is related to the Corporation's purchase of area health care clinics The goodwill is evaluated annually for impairment

The changes in the carrying amount of goodwill for the years ended July 31, 2012 and 2011, are as follows

	2012	2011
Balance at beginning of year		
Goodwill	$ 11,340,057	$ 11,126,094
Accumulated impairment losses	-	-
	11,340,057	11,126,094
Goodwill acquired during the year	-	213,963
Impairment losses	-	-
Balance at end of year		
Goodwill	11,340,057	11,340,057
Accumulated impairment losses	-	-
Total	$ 11,340,057	$ 11,340,057

8 Short-Term Debt

The Corporation entered into a loan agreement with Bank of America for an amount of $100,000,000 bearing interest at LIBOR plus 0 29% with a maturity date of December 15, 2012 and collateralized by the executed loan agreement The outstanding balance on the loan at July 31, 2012 was $100,000,000 The purpose of the loan agreement was to provide funds to the Authority for the purchase of Palmyra Park Hospital, LLC

Continued

9 Long-Term Debt

	2012	2011
1993 Series Revenue Anticipation Certificates, payable in varying annual amounts from $1,400,000 in 2013 to $2,120,000 in 2020, bearing interest at 5.40%.	$ 15,680,000	$ 16,980,000
2008A Series Revenue Anticipation Certificates, payable in varying annual amounts from $1,295,000 in 2013 to $3,800,000 in 2032; bearing interest at a daily rate to be adjusted by the Remarketing Agent.	49,840,000	51,250,000
2008B Series Revenue Anticipation Certificates, payable in varying annual amounts from $1,290,000 in 2013 to $3,795,000 in 2032, bearing interest at a daily rate to be adjusted by the Remarketing Agent.	49,750,000	51,150,000
2010A Series Revenue Anticipation Certificates, payable in varying annual amounts from $730,000 in 2013 to $11,355,000 in 2039, bearing interest at a monthly rate to be adjusted by the Remarketing Agent.	98,560,000	99,000,000
Note payable, paid off in January 2012	-	796,473
	213,830,000	219,176,473
Less current portion	4,715,000	5,262,089
	209,115,000	213,914,384
Less unamortized discount	50,482	212,446
	$ 209,064,518	$ 213,701,938

Continued

9 Long-Term Debt, Continued

The Series 1993 Bonds are subject to redemption prior to their stated maturities, at the option of the Authority at the direction of the Corporation on or after September 1, 2003 from any funds deposited with the Trustee and available for such purposes, as a whole at any time, or in part from time to time on any interest payment date, at the redemption prices (expressed as a percentage of the principal amount redeemed), plus accrued interest to the redemption date.

The Series 2008A and 2008B Revenue Certificates were issued on October 30, 2008 for the purpose of redeeming the Series 1991, 1996 and 2002 Revenue Certificates. Series 2008A and 2008B Revenue Certificates bear interest at a daily rate adjusted by SunTrust Robinson Humphrey, Inc The Corporation may convert the interest rate upon compliance with terms and provisions of the indenture

The Series 2010A Revenue Certificates were issued on July 9, 2010 for the purpose of reimbursing the Corporation for prior additions extensions and improvements to the Corporation's facilities The 2010A Revenue Certificates bear interest at a monthly rate adjusted by J P. Morgan Chase Bank, N.A. The Corporation may convert the interest rate upon compliance with terms and provisions of the indenture

Series 1993, 2008A, 2008B and 2010A Revenue Certificates are secured by all receipts of, and revenue, income and money derived from the Corporation's operation of the Hospital premises

Under the terms of the 1993 Certificate Indenture, the Corporation is required to maintain certain deposits with a trustee Such deposits are included with assets limited as to use in the financial statements The 1993, 2008A, 2008B, and 2010A Certificate Indentures also place limits on the incurrence of additional borrowings and requires that the Corporation satisfy certain measures of financial performance as long as the notes are outstanding

Continued

9 Long-Term Debt, Continued

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

Year	1993	2008A	2008B	2010A	Total
2013	$ 1,400,000	$ 1,295,000	$ 1,290,000	$ 730,000	$ 4,715,000
2014	1,400,000	1,575,000	1,575,000	355,000	4,905,000
2015	1,580,000	1,610,000	1,605,000	285,000	5,080,000
2016	1,660,000	1,835,000	1,835,000	-	5,330,000
2017	1,745,000	1,790,000	1,780,000	120,000	5,435,000
Thereafter	7,895,000	41,735,000	41,665,000	97,070,000	188,365,000
Total	$ 15,680,000	$ 49,840,000	$ 49,750,000	$ 98,560,000	$ 213,830,000

10. Derivative Financial Instruments

The Corporation entered into fixed pay and constant maturity swaps to effectively swap variable interest rates to fixed interest rates thus reducing the impact of interest rate changes on future interest expense The fair market value of the swaps are reported in other liabilities on the balance sheet. The critical terms of the swaps are as follows

$21,145MM Fixed Pay LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ 19,373,629	$ 19,599,509
Fair market value	$(6,894,910)	$(3,272,590)
Life remaining on swap	14 Years	15 Years

$25MM Fixed Pay LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ 22,905,686	$ 23,172,747
Fair market value	$(7,291,224)	$(4,248,373)
Life remaining on swap	14 Years	15 Years

Continued

10 Derivative Financial Instruments, Continued

$25MM Fixed Pay LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ 22,905,686	$ 23,172,747
Fair market value	$(5,831,714)	$(3,869.224)
Life remaining on swap	14 Years	15 Years

$24.585MM Fixed Pay LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ -	$ 16,980.000
Fair market value	$ -	$(1,484.220)
Life remaining on swap	-	5 Years

Constant Maturity LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ 40,432,590	$ 41,462,590
Fair market value	$ 3,091.820	$ 3,687,392
Life remaining on swap	20 Years	21 Years

Constant Maturity LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ 40.432,590	$ 41,462,590
Fair market value	$ 3,249,267	$ 4,143,373
Life remaining on swap	20 Years	21 Years

Constant Maturity LIBOR Swap – Non-Hedge

	2012	2011
Notional amount	$ 80,865,180	$ 82,925.181
Fair market value	$(358,711)	$ 437.085
Life remaining on swap	1 Year	2 Years

Continued

10 Derivative Financial Instruments, Continued

The swaps were issued at market terms so that they had no fair value at their inception The carrying amount of the swaps has been adjusted to fair value at the end of the year which, because of changes in forecasted levels of the LIBOR, resulted in reporting a liability As the net swaps were in a liability position as of July 31, 2012, the Corporation deemed the capacity to perform on the part of the derivative counterparty to be of little or no concern, and no adjustment was applied to standard market valuation practices

The swap results are included in excess revenues For the years ending July 31, 2012 and 2011, this earnings impact totaled approximately $(7,404,000) and $2,593,000, respectively.

11 Temporarily and Permanently Restricted Net Assets

A summary of the restricted net assets at July 31, 2012 and 2011 follows

	2012	2011
Temporarily Restricted Net Assets		
Restricted by Phoebe Foundation, Inc.	$ 5,033,647	$ 4,769,727
Permanently Restricted Net Assets		
Restricted investments to be held in perpetuity by Phoebe Foundation, Inc	$ 1,581,098	$ 1,426,529

12 Pension Plans

The Corporation has a defined benefit pension plan covering all full time regular employees working 1,000 hours or more in a twelve month period with an employment date before December 31, 2006 The plan provides benefits that are based upon earnings and years of service. The Corporation issues a publicly available financial report that includes financial statements and required supplementary information for the Retirement Plan for Employees of Phoebe Putney Health System, Inc That report may be obtained by contacting the management of the Corporation

Continued

12. Pension Plans, Continued

The following table sets forth the defined benefit pension plan funded status and amounts recognized in the financial statements at July 31, 2012 and 2011

	2012	2011
Plan assets at fair value at July 31	$ 150,375,259	$ 139,801,388
Projected benefit obligation at July 31	289,274,601	222,867,378
Funded status	$(138,899,342)	$(83,065,990)
Amounts recognized in unrestricted net assets		
Net actuarial loss	$(120,826,080)	$(61,752,564)
Prior service cost not yet recognized in net periodic pension cost	(659,386)	(840,808)
Deferred pension cost	$(121,485,466)	$(62,593,372)
Weighted-average assumptions used to determine pension benefit obligations:		
Discount rate	4.57%	5 41%
Rate of compensation increase	4.00%	4 00%
Weighted-average assumptions used to determine net periodic benefit cost		
Discount rate	5.41%	5.60%
Expected long-term return on plan assets	8.75%	8.75%
Rate of compensation increase	4.00%	4 00%

The Corporation's expected rate of return on plan assets is determined by the plan assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

Continued

12 Pension Plans, Continued

The following table sets forth the components of net periodic cost and other amounts recognized in unrestricted net assets for the years ended July 31, 2012 and 2011

	2012	2011
Service cost	$ 11,688,062	$ 10,845,860
Interest cost	12,361,171	11,030,950
Expected return on plan assets	(12,182,271)	(9,959,269)
Amortization of prior service cost	181,422	181,422
Amortization of recognized net actuarial loss	3,276,175	3,128,115
Net periodic benefit cost	15,324,559	15,227,078
Other changes in plan assets and benefit obligations recognized in unrestricted net assets:		
Net actuarial (gain) loss	62,349,691	(2,677,828)
Amortization of prior service cost	(181,422)	(181,422)
Amortization of net actuarial loss	(3,276,175)	(3,128,115)
Total recognized in unrestricted net assets	58,892,094	(5,987,365)
Total recognized in net periodic benefit cost and unrestricted net assets	$ 74,216,653	$ 9,239,713

The change in projected benefit obligation for the defined benefit pension plan for the years ended July 31, 2012 and 2011 included the following components:

	2012	2011
Projected benefit obligation, beginning of year	$ 222,867,378	$ 199,173,107
Service cost	11,688,062	10,845,860
Interest cost	12,361,171	11,030,950
Actuarial (gain) or loss	46,967,870	5,966,175
Benefits paid	(4,609,880)	(4,148,714)
Projected benefit obligation, end of year	$ 289,274,601	$ 222,867,378
Accumulated benefit obligation	$ 225,276,957	$ 179,408,984

Continued

12. Pension Plans, Continued

The change in fair value of plan assets for the years ended July 31, 2012 and 2011 included the following components:

	2012	2011
Plan assets at fair value, beginning of year	$ 139,801,388	$ 115,195,692
Actual return on assets	(3,199,550)	18,603,272
Employer contributions	18,383,301	10,151,138
Benefits paid	(4,609,880)	(4,148,714)
Plan assets at fair value, end of year	$ 150,375,259	$ 139,801,388

The Corporation anticipates making a contribution during fiscal year 2013 of $7,000,000

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

Year Ending July 31	Pension Benefits
2013	$ 6,288,000
2014	$ 6,913,000
2015	$ 7,674,000
2016	$ 8,462,000
2017	$ 9,400,000
2018 - 2022	$ 65,166,000

The expected benefits to be paid are based on the same assumptions used to measure the Corporation's benefit obligation at July 31, 2012

The actuarial loss and prior service cost to be recognized during the next 12 months beginning August 1, 2012 is as follows:

Amortization of net actuarial loss	$ 6,827,535
Amortization of prior year service costs	181,422
Total	$ 7,008,957

Continued

12 Pension Plans, Continued

Plan Assets

The composition of plan assets at July 31, 2012 and 2011 is as follows:

	Target Allocation	Pension Benefits 2012	2011
Asset category			
Cash and cash equivalents	- %	6%	5%
U S equity securities	20%	22%	25%
Fixed income	20%	23%	15%
Real assets	13%	4%	7%
Opportunistic	5%	5%	5%
Hedge funds	20%	20%	18%
Non U.S equity securities	16%	15%	19%
Emerging markets	6%	5%	6%
Total	100%	100%	100%

The Corporation's investment strategy is to manage the portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds The portfolio is diversified by investing in multiple types of investment-grade securities The investment policy requires assets of the plan to be primarily invested in securities with at least an investment grade rating to minimize interest rate and credit risk. The plan assets are long-term in nature and are intended to generate returns while preserving capital.

Pension assets are invested in equities, debt securities, cash and cash equivalents, hedge funds, and U S government securities The allocation between different investment vehicles is determined by the Corporation, based on current market conditions, short-term and long-term market outlooks, and cash needs for distributions and plan expenses. Assumptions for expected returns on plan assets are based on historical performance, long-term market outlook, and a diversified investment approach designed to provide steady, consistent returns that minimize market fluctuations The Corporation utilizes the services of a professional investment advisor in the selection of individual fund managers. The investment advisor tracks the performance of each fund manager and makes recommendations for redistributions, as needed, to comply with targeted allocations or to replace underperforming funds.

Continued

12 Pension Plans, Continued

The Corporation attempts to mitigate investment risk by rebalancing between investment classes as the Corporation's contributions and monthly benefit payments are made Although changes in interest rates may affect the fair value of a portion of the investment portfolio and cause unrealized gains and losses, such gains or losses would not be realized unless the investments are sold

The fair values of the Corporation's pension plan assets at July 31, 2012 and 2011, by asset category are as follows

	Fair Value Measurements At July 31, 2012			
Asset Category	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 9,652,969	$ 1,500,000	$ 8,152,969	$ -
U S equity securities	33,529,046	8,847,122	14,009,501	10,672,423
Fixed income	33,954,690	-	33,954,690	-
Real assets	6,079,495	3,767,073	2,016,982	295,440
Opportunistic	7,058,785	-	7,058,785	-
Hedge funds	30,139,157	-	20,441,992	9 697,165
Non U S equity securities	23,130,814	-	11,973,041	11,157,773
Emerging markets	6,830,303	-	6,830 303	-
Total	$ 150,375,259	$ 14,114,195	$ 104,438,263	$ 31,822,801

Continued

12. Pension Plans, Continued

	Fair Value Measurements At July 31, 2011			
Asset Category	Total	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 7,723,973	$ -	$ 7,723,973	$ -
U.S. equity securities	35,104,032	6,692,558	19,013,062	9,398,412
Fixed income	21,346,481	-	21,346,481	-
Real assets	9,689,522	5,936,013	3,557,969	195,540
Opportunistic	7,080,077	-	7,080,077	-
Hedge funds	24,489,517	-	13,906,977	10,582,540
Non U S. equities	25,936,642	1,000	13,218,369	12,717,273
Emerging markets	8,431,144	-	8,431,144	-
Total	$ 139,801,388	$ 12,629,571	$ 94,278,052	$ 32,893,765

Hedge funds include investments in various funds that invest both long and short primarily in U S common stocks Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. These securities have no unfunded commitments and are redeemed based on the timing of the investments and the managers' terms which vary across the portfolio

Continued

12. Pension Plans, Continued

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Non U.S. Equities	U.S Equities	Real Assets	Hedge Funds	Total
July 31, 2010	$ 10,424,522	$ 7,718,541	$ 82,880	$ 10,518,243	$ 28,744,186
Realized and unrealized gains (losses) included in other nonoperating revenue	2,131,061	1,679,871	6,409	783,357	4,600,698
Purchases	161,690	-	106,251	-	267,941
Sales	-	-	-	(719,060)	(719,060)
July 31, 2011	12,717,273	9,398,412	195,540	10,582,540	32,893,765
Realized and unrealized gains (losses) included in other nonoperating revenue	(1,779,362)	1,274,011	900	17,197	(487 254)
Purchases	260,680	-	99,000	-	359 680
Sales	(40,818)	-	-	(902,572)	(943,390)
July 31, 2012	$ 11,157,773	$ 10,672,423	$ 295,440	$ 9,697,165	$ 31,822,801

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

Continued

12 Pension Plans, Continued

The Corporation has defined contribution pension plans covering substantially all eligible employees Employees may deposit a portion of their earnings for each pay period on a pre-tax basis and the Corporation matches 50% of each participant's voluntary contributions up to a maximum of 4% of the employee's annual salary Matching contribution expenses for the years ended July 31, 2012 and 2011 totaled approximately $1,215,000 and $1,825,000, respectively For 2012 and 2011, the total discretionary contributions paid totaled approximately $1,129,000 and $1,398,000, respectively

13 Employee Health Insurance

The Corporation has a self-insurance program under which a third-party administrator processes and pays claims The Corporation reimburses the third-party administrator for claims incurred and paid and has purchased stop-loss insurance coverage for claims in excess of $150,000 for each individual employee Total expenses related to this plan were approximately $31,751,000 and $29,298,000 for 2012 and 2011, respectively

14 Malpractice Insurance

The Corporation is covered by a claims-made general and professional liability insurance policy with a specified deductible per incident and excess coverage on a claims-made basis through the parent's wholly owned subsidiary, Phoebe Putney Indemnity, LLC (PPI), located in South Carolina

Effective August 1, 2006, PPI issued a claims-made policy covering professional and general liabilities, personal injury, advertising injury liability, and contractual liability of the Corporation with a retroactive date of January 1, 1990 Effective August 1, 2007 and renewing annually, PPI issued a policy with limits of $5,000,000 per occurrence, with an annual aggregate of $15,000,000

PPI also provides excess liability coverage to the Corporation, which covers $25,000,000 per occurrence in excess of the underlying insurance coverage of $30,000,000 for the policy years ending July 31, 2012 and 2011 The excess policy has an annual aggregate limit of $25,000,000 All of the risk related to this coverage has been ceded to unrelated reinsurers via a contract of reinsurance

Continued

14. Malpractice Insurance, Continued

Various claims and assertions have been made against the Corporation in its normal course of providing services. In addition, other claims may be asserted arising from services provided to patients in the past. In the opinion of management, adequate provision has been made for losses which may occur from such asserted and unasserted claims that are not covered by liability insurance

15 Concentrations of Credit Risk

The Corporation is located in Albany, Georgia. The Corporation grants credit without collateral to its patients, most of whom are residents of Southwest Georgia and are insured under third-party payor agreements The mix of receivables from patients and third-party payors at July 31, 2012 and 2011 was as follows

	2012	2011
Medicare	28%	30%
Medicaid	23%	22%
Blue Cross	21%	18%
Commercial	19%	22%
Patients	9%	8%
Total	100%	100%

At July 31, 2012, the Corporation has deposits at major financial institutions which exceeded the $250,000 Federal Deposit Insurance Corporation limits Management believes the credit risks related to these deposits is minimal

Continued

16 Related Party Transactions

	2012	2011
Due from Phoebe Putney Health Ventures, Inc	$ 117,095	$ 107,170
Due from (to) Phoebe Putney Health System, Inc	184,140,225	(16,115,146)
Due to Phoebe Physician Group, Inc	-	(44,786,403)
Net related party transactions	$ 184,257,320	$(60,794,379)

The related party transactions that affect the above receivables and payables arise from the sharing of services During 2012, the Corporation transferred approximately $200 million to the System. The System subsequently transferred approximately $200 million to the Authority for the purchase of Palmyra Park Hospital, LLC

17 Related Organization

Phoebe Foundation, Inc (Foundation) was established to raise funds to support the operation of the Corporation The Foundation's bylaws provide that all funds raised, except for funds required for the operation of the Foundation, be distributed to or be held for the benefit of the Corporation The Foundation's general funds, which represent the Foundation's unrestricted resources, are distributed to the Corporation in amounts and in periods determined by the Foundation's Board of Directors, who may also restrict the use of general funds for hospital plant replacement or expansion or other specific purposes Plant replacement and expansion funds, specific-purpose funds, and assets obtained from endowment income of the Foundation are distributed to the Corporation as required to comply with the purposes specified by donors The Corporation's interest in the net assets of the Foundation is reported as an other asset in the balance sheets

	2012	2011
Assets		
Cash and cash equivalents	$ 901,460	$ 613,162
Investments	10,215,296	9,798,642
Other assets	334,946	380,059
Total assets	$ 11,451,702	$ 10,791,863

Continued

17 Related Organization, Continued

	2012	2011
Liabilities and net assets		
Accounts payable	$ 94,342	$ 152,270
Net assets	11,357,360	10,639,593
Total liabilities and net assets	$ 11,451,702	$ 10,791,863
Revenue and support	$ 1,023,641	$ 1,421,389
Expenses	383,376	403,166
Excess of revenue and support	640,265	1,018,223
Other changes in net assets	77,502	155,227
Net assets, beginning of year	10,639,593	9,466,143
Net assets, end of year	$ 11,357,360	$ 10,639,593

18. Functional Expenses

The Corporation provides general health care services to residents within its geographic location Expenses related to providing these services are as follows

	July 31,	
	2012	2011
Patient care services	$ 293,432,756	$ 289,863,231
General and administrative	139,976,294	136,436,860
Depreciation and amortization	25,425,813	25,466,359
Interest expense	5,660,312	5,570,389
Provision for bad debts	43,996,875	40,416,741
Total	$ 508,492,050	$ 497,753,580

Continued

19. Fair Values of Financial Instruments

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

- Cash and cash equivalents The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair value

- Assets limited as to use Fair values, which are the amounts reported in the balance sheet, are based on quoted market prices, if available, or estimated using quoted market prices for similar securities

- Accounts payable and accrued expenses The carrying amount reported in the balance sheet for accounts payable and accrued expenses approximates its fair value

- Estimated third-party payor settlements. The carrying amount reported in the balance sheet for estimated third-party payor settlements approximates its fair value

- Derivative financial instruments The carrying amount reported in the balance sheet for derivative financial instruments approximates its fair value.

- Short-term and long-term debt Fair values of the Corporation's revenue notes are based on current traded value The fair value of the Corporation's remaining debt is estimated using discounted cash flow analyses, based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements The carrying amount reported in the balance sheet for debt approximates its fair value

Continued

20 Fair Value Measurement

Fair values of assets and liabilities measured on a recurring basis at July 31, 2012 and 2011 is as follows.

		Fair Value Measurements At Reporting Date Using		
	Fair Value	Quoted Prices In Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
July 31, 2012				
Assets:				
Money market funds	$ 44,435	$ -	$ 44,435	$ -
Certificates of deposit	366,170	-	366,170	-
Government debt securities	1,664,022	-	1,664,022	-
Mutual funds:				
Index funds	2,404,188	-	2,404,188	-
Fixed income funds	1,959,875	-	1,959,875	-
Total return funds	1,600,000		1,600,000	
Alternative investments in hedge funds	8,926,349	-	7,192,055	1,734,294
Common collective trusts invested in equity securities	844,474	-	844,474	-
Total assets	$ 17,809,513	$ -	$ 16,075,219	$ 1,734,294
Liabilities				
Derivatives	$ 14,035,472	$ -	$ 14,035,472	$ -

Continued

20 Fair Value Measurement, Continued

	Fair Value	Fair Value Measurements At Reporting Date Using: Quoted Prices In Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
July 31, 2011				
Assets:				
Money market funds	$ 99,133	$ -	$ 99,133	$ -
Certificates of deposit	360,754	-	360,754	-
Government debt securities	1,570,155	-	1,570,155	-
Mutual funds:				
Index funds	3,772,463	-	3,772,463	-
Fixed income funds	1,869,158	-	1,869,158	-
Alternative investments in hedge funds	8,846,201	-	7,116,737	1,729,464
Common collective trusts invested in equity securities	1,042,396	-	1,042,396	-
Total assets	$ 17,560,260	$ -	$ 15,830,796	$ 1,729,464
Liabilities:				
Derivatives	$ 4,606,557	$ -	$ 4,606,557	$ -

Continued

20 Fair Value Measurement, Continued

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Alternative Investments in Hedge Funds
July 31, 2010	$ -
Realized and unrealized gains (losses) included in other nonoperating revenue	129,464
Purchases	1,600,000
July 31, 2011	1,729,464
Realized and unrealized gains (losses) included in other nonoperating revenue	4,830
July 31, 2012	$ 1,734,294

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

All assets and liabilities have been valued using a market approach.

Continued

21 Commitments and Contingencies

Compliance Plan

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

Health Care Reform

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

Litigation

The Corporation is involved in litigation and regulatory investigations arising in the course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation's future financial position or results from operations See malpractice insurance disclosures in Note 14

22 Electronic Health Record Incentive Payments

The Health Information Technology for Economic and Clinical Health Act (the HITECH Act) was enacted into law on February 17, 2009 as part of the American Recovery and Reinvestment Act of 2009 (ARRA) The HITECH Act includes provisions designed to increase the use of Electronic Health Records (EHR) by both physicians and hospitals Beginning with federal fiscal year 2011 and extending through federal fiscal year 2016, eligible hospitals participating in the Medicare and Medicaid programs are eligible for reimbursement incentives based on successfully demonstrating meaningful use of its certified EHR technology Conversely, those hospitals that do not successfully demonstrate

Continued

22 Electronic Health Record Incentive Payments, Continued

meaningful use of EHR technology are subject to reductions in Medicare reimbursements beginning in FY 2015 On July 13, 2010, the Department of Health and Human Services (DHHS) released final meaningful use regulations Meaningful use criteria are divided into three distinct stages I, II and III. The final rules specify the initial criteria for physicians and eligible hospitals necessary to qualify for incentive payments, calculation of the incentive payment amounts; payment adjustments under Medicare for covered professional services and inpatient hospital services, eligible hospitals failing to demonstrate meaningful use of certified EHR technology, and other program participation requirements

The final rule set the earliest interim payment date for the incentive payment at May 2011 The first year of the Medicare portion of the program is defined as the federal government fiscal year October 1, 2010 to September 30, 2011

The Corporation recognizes income related to the Medicaid incentive payment using a grant model based upon when it has determined that it is reasonably assured that the hospital will be meaningfully using EHR technology for the applicable period and the cost report information is reasonably estimable

As of July 31, 2012, the Corporation had not met the criteria for meaningful use for either the Medicare or Medicaid programs. However, the Corporation is eligible and did receive the first payment under the Medicaid program since it was able to demonstrate the pursuit of meaningful use During 2012, the Corporation received approximately $1,300,000 which is reported in other revenue on the statement of operations and changes in net assets

24 Subsequent Event

Effective August 1, 2012, the lease and transfer agreement between the Corporation and the Authority was amended and restated. The amendment was made for the transfer and inclusion of the hospital formerly known as Palmyra Medical Center which was acquired by the Hospital Authority of Albany-Dougherty County, Georgia The amendment included the extension of the lease for a term of forty years from the date of the current amendment

The Authority is in the process of issuing 2012 Revenue Anticipation Certificates (Series 2012) in an aggregate principal amount not to exceed $125,000,000 Pursuant to the Master Indenture, the Corporation will issue a promissory note in a principal amount equal to the principal amount of the Series 2012 to the Authority The proceeds will be used to fund certain capital expenditures associated with properties owned by the Authority and leased to the Corporation